BAMC TRICARE Next Generation Business Plan Management

Clinics understanding their business operations -

Supply and Demand

18 Jan 2005

Agenda

- Understanding TNEX Business Plans and Prospective Payment Budgeting
- Measuring Clinical Productivity
  - Business Plan Evaluation and Product Line Analysis
- Coding Analysis
- Enrollment
  - Rules and Exceptions
  - BAMC Enrollment Trend - FY00 through FY05
  - PCM Enrollment Capacity
- SA-MM Right of First Refusals (ROFRs)
- Referrals
  - Defer to Network Referrals
  - Internal Referrals

Business Plans
Prospective Payment Budgeting

MTF Business Plans

- Starting with historical levels, MTFs will create business plans based on a standard template and using standard measures to answer the following business questions:
  - How many people do you expect to enroll?
  - What amount of health care do you expect your enrollees to demand?
  - What amount of health care do you expect your facility(s) to produce? What amount will be for non-enrollees?
  - How are you going to meet the demands of your enrollees for health care that you can not provide?
  - What manpower resources will you have to produce health care?
  - What other major changes in your facility(s) will affect the amount of health care you produce?

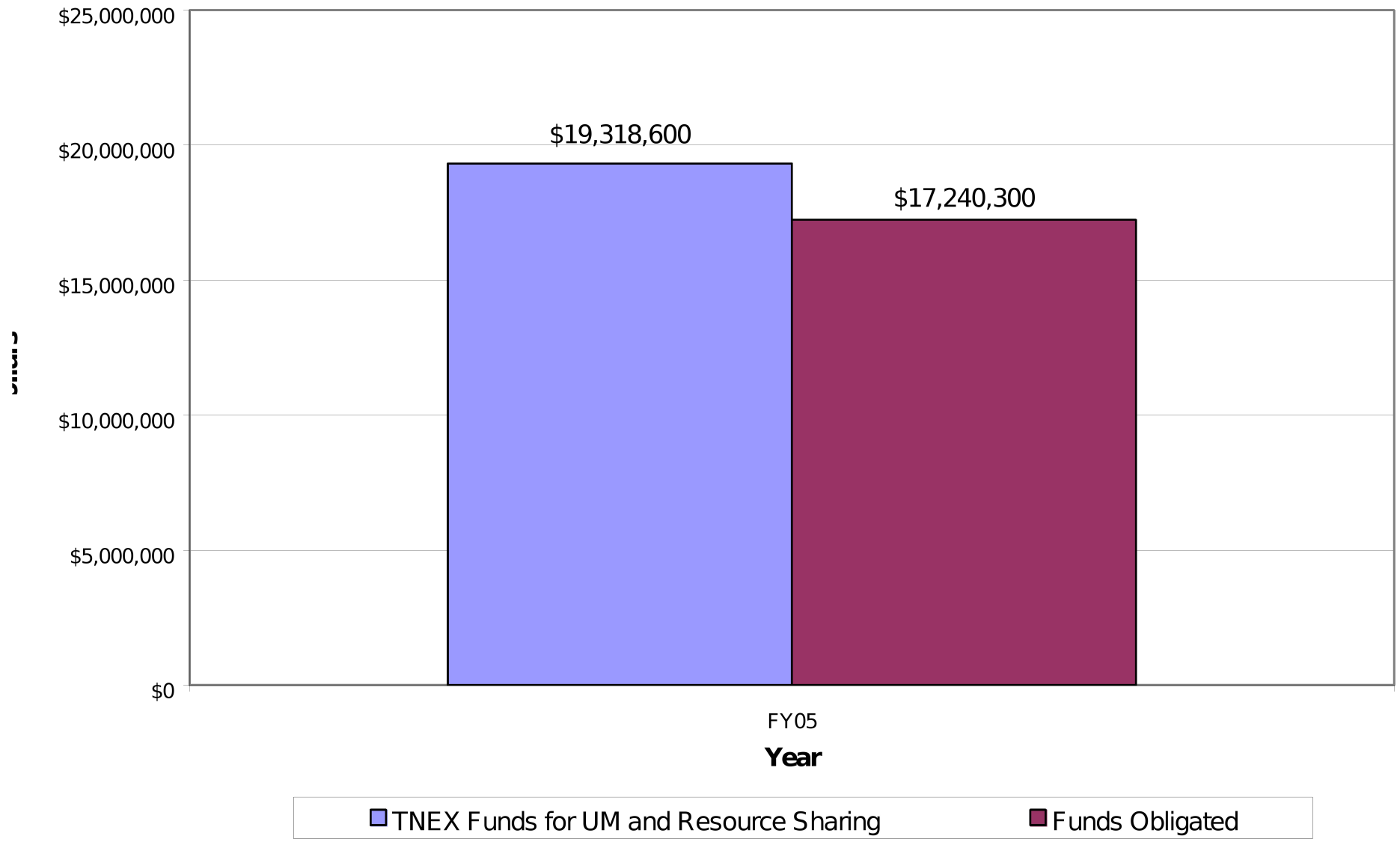
Prospective Payment Budgeting
Valuing Business Plans

- Economic Analysis Basic Equation:
  - Business Plan Value:
    - **Facility Level:**

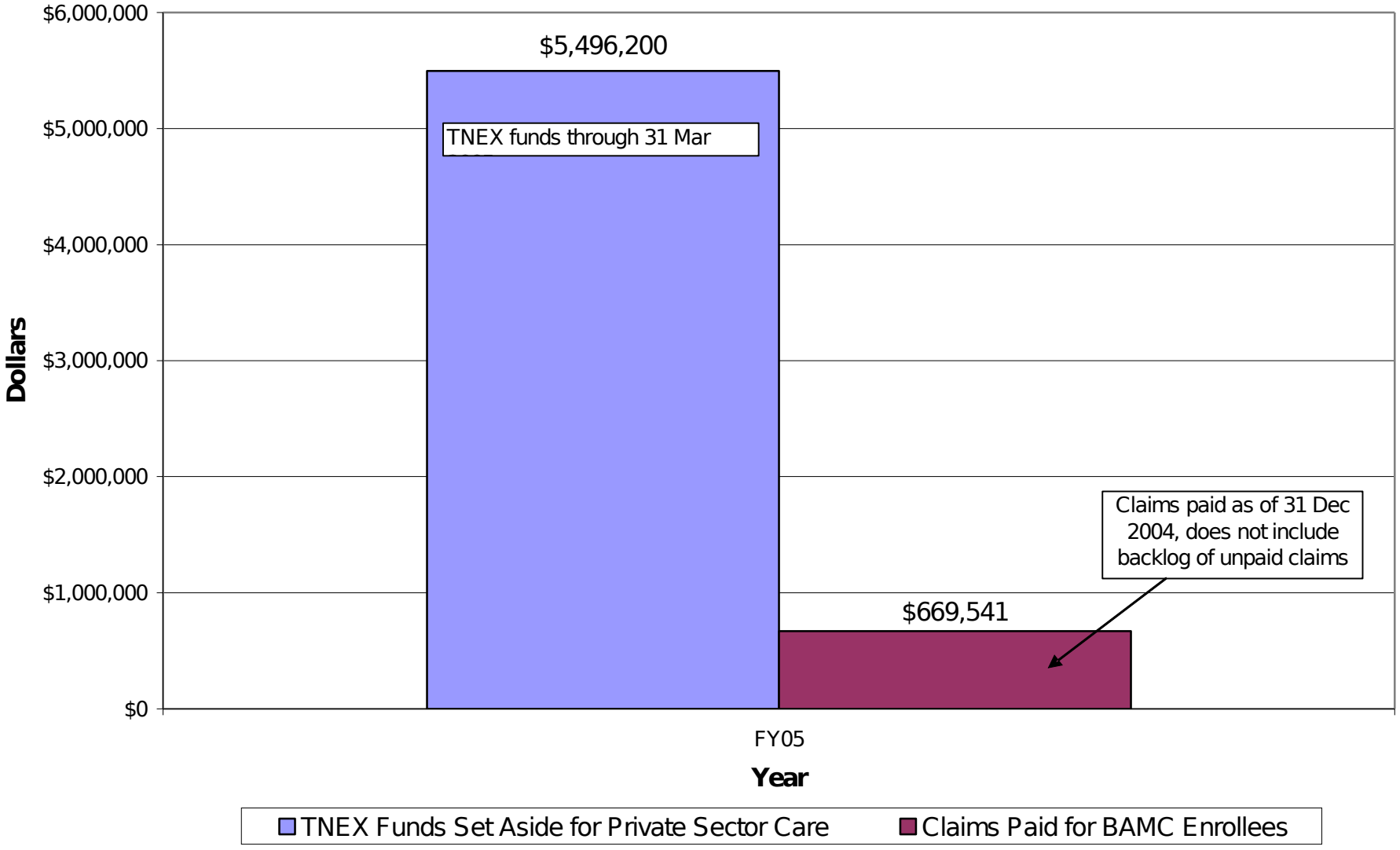
Budget = Fee for Service (FFS) Targets − FFS Payment for MTF enrollee care delivered by Network − FFS Payment for MTF enrollee care delivered by other MTFs outside SA-MM + FFS Recapture from network and/or MTFs outside SA-MM

    - **Department Level:**

Department = Budget Fee for Service (FFS) Targets − FFS Payment for MTF enrollee care delivered by Network − FFS Payment for MTF enrollee care delivered by other MTFs outside SA-MM + FFS Recapture from network and/or MTFs outside SA-MM


TNEX Funds for UM and Resource Sharing
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
$19,318,600
$17,240,300
FY05
Year
TNEX Funds for UM and Resource Sharing
Funds Obligated

TNEX Available Private Sector Funds vs Private Sector Claims Paid



Optimization of the SA-MM Business Plan

- Establish realistic targets for workload based on historical levels of effort
- Optimize RVU/FTE through template management, documentation education, and coding
- Fill capacity with unenrolled eligible patients and push capacity to new levels
- Receive funding to meet actual levels of inflation, ie. Pharmacy
- Receive funding to support the Tricare For Life population through the Accrual Fund at actual levels of care, not care predicted on a model based on lower utilization

BAMC Product Lines Evaluated

- Cardiology
- Dermatology
- Emergency Medicine
- Gastroenterology
- General Surgery
- Internal Medicine
- Ophthalmology
- Orthopedics
- Pediatrics
- Urology

Measuring Clinical Productivity

Measuring Workload

- The ***OLD*** Way:
  - Number of patient encounters (ADS Workload count versus non count)
- The ***NEW*** Way: RVUs (Relative Value Unit)
  - A measure of the intensity of outpatient workload based on E&M codes and procedure codes; measures effort expended versus volume of patients seen

Relative Value Units

- Relative Value Units (RVUs)
  - Developed by the Centers for Medicare and Medicaid Services (CMS)
  - Used for reimbursement of physician services
  - Highly dependent on coding accuracy
  - Not determined by time spent with patient but by the documentation of the encounter

- Why care about RVUs?
  - A better (although not perfect) reflection of clinical productivity
  - If we don’t understand RVUs, we will not get credit for the work that we do
  - Directly affects TNEX Business Plans and Funding
  - OTSG/TMA have RVU targets for providers

Why Providers Have Low RVUs

- Low outpatient visits
- OPVs not coded
  - Missing Documentation
- OPVs are under coded (E&M)
- Not coding any/all procedures
- High number of no-show/unfilled appointments
  - No appointments = No RVUs
- Data for visit not being entered or incorrectly entered into ADS/ADM
- Workload captured elsewhere (under residents, nurses or technicians)

RVUs and Tricare Next Generation

- Business Plan submitted May 04 to Tricare Management Activity (TMA)
- Business Plan developed from RVUs, FTEs and RWPs
- TMA will monitor monthly and conduct a mid-year review to evaluate performance against business plan

Where does the Clinical Staff influence the Process?

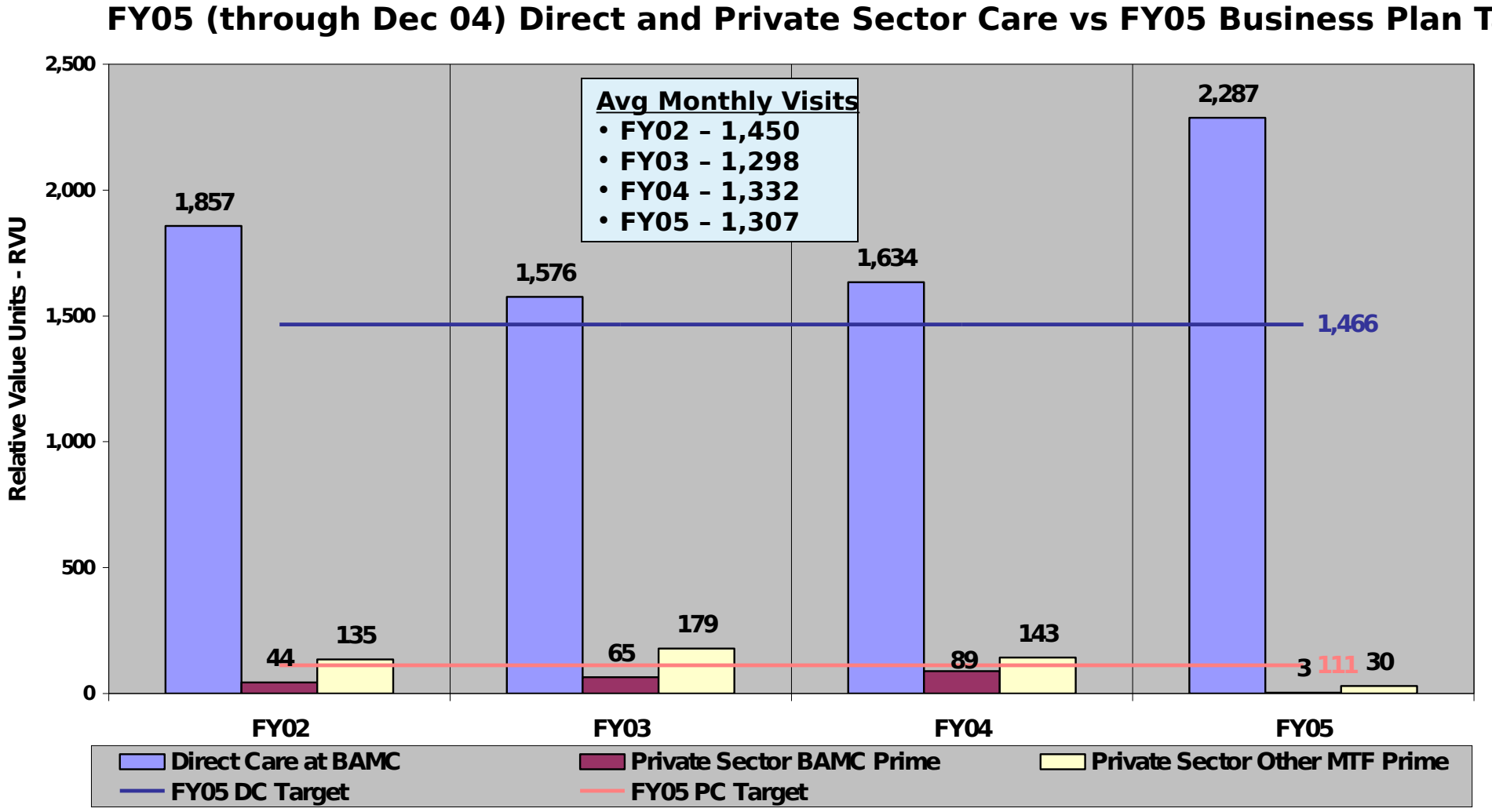
- Management of Appointment Templates
  - Aware of enrollee population demand
  - Meet enrollee demand and see Fee for Service patients, this increases opportunity for sustaining other clinical missions
- Timely and Compliant Documentation
  - Increases Opportunity for Reimbursements on TPC/MSA
- Improved Documentation with more Specificity
  - Increases RVUs and CMAC opportunities
  - Increases Fee for Service Opportunities
- Improved Man-Hour Reporting
  - Review and update templates monthly
  - Report incorrectly assigned personnel to the MEPRS office

Product Line Analysis

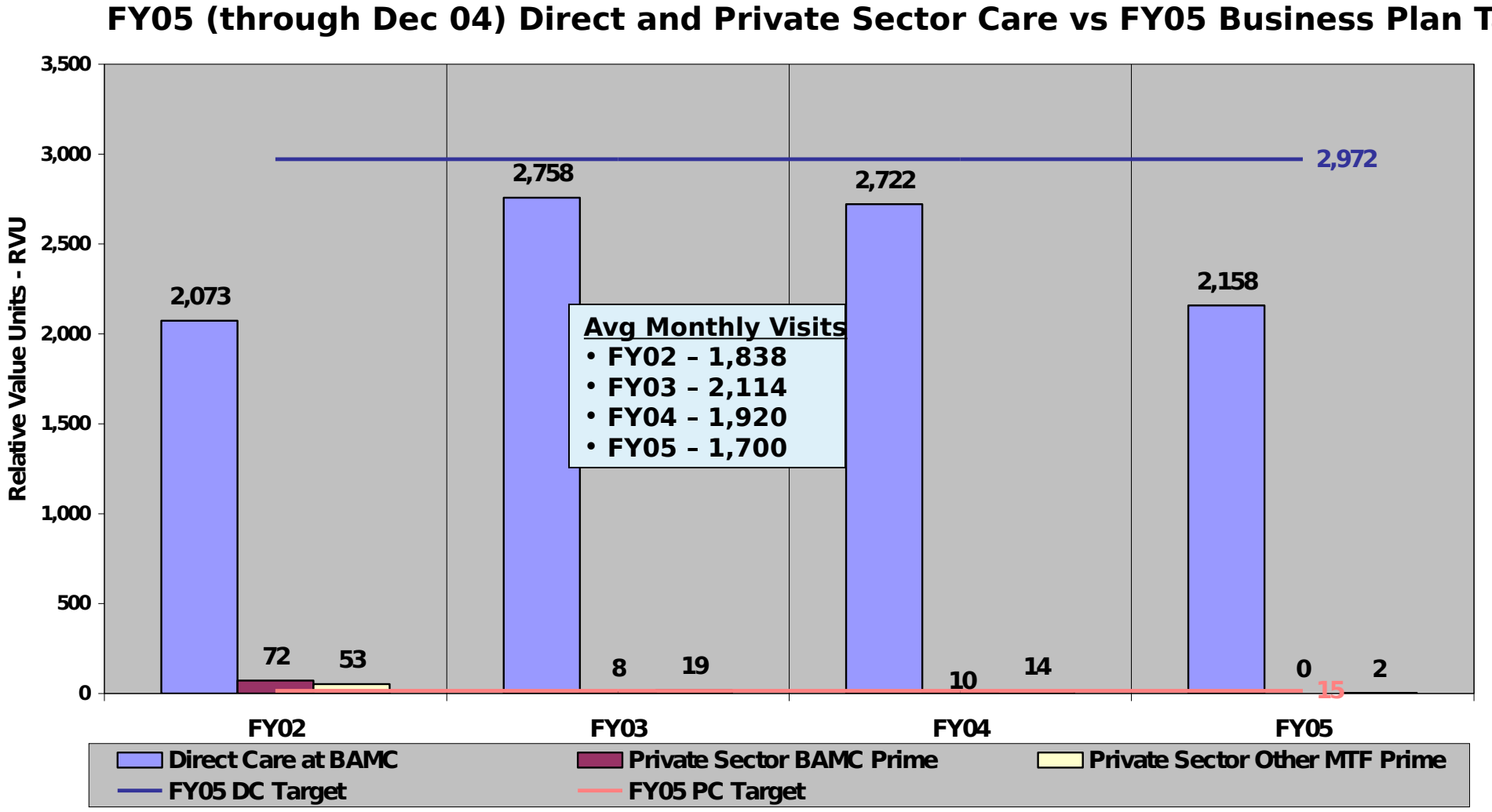
Product Line Analysis

- Business Plan Evaluations
  - Direct and Private Sector Care average monthly RVUs by FY
  - FY05 Direct and Private Sector Care vs FY05 Business Plan targets
- Productivity Metrics
  - Work RVU/available FTE
  - Expected trend: RVU workload **directly** related to number of FTEs
  - MEDCOM comparison
    - BAMC service lines compared to entire MEDCOM FY04
    - Clinic Productivity (Work RVUs/Avg available provider FTE) By FY
- Manpower Reporting
  - Average available provider FTEs reported by FY
  - Provider FTEs include Physicians, Fellows, and if applicable, Skill Type II (i.e. PA, NP, etc.) personnel types

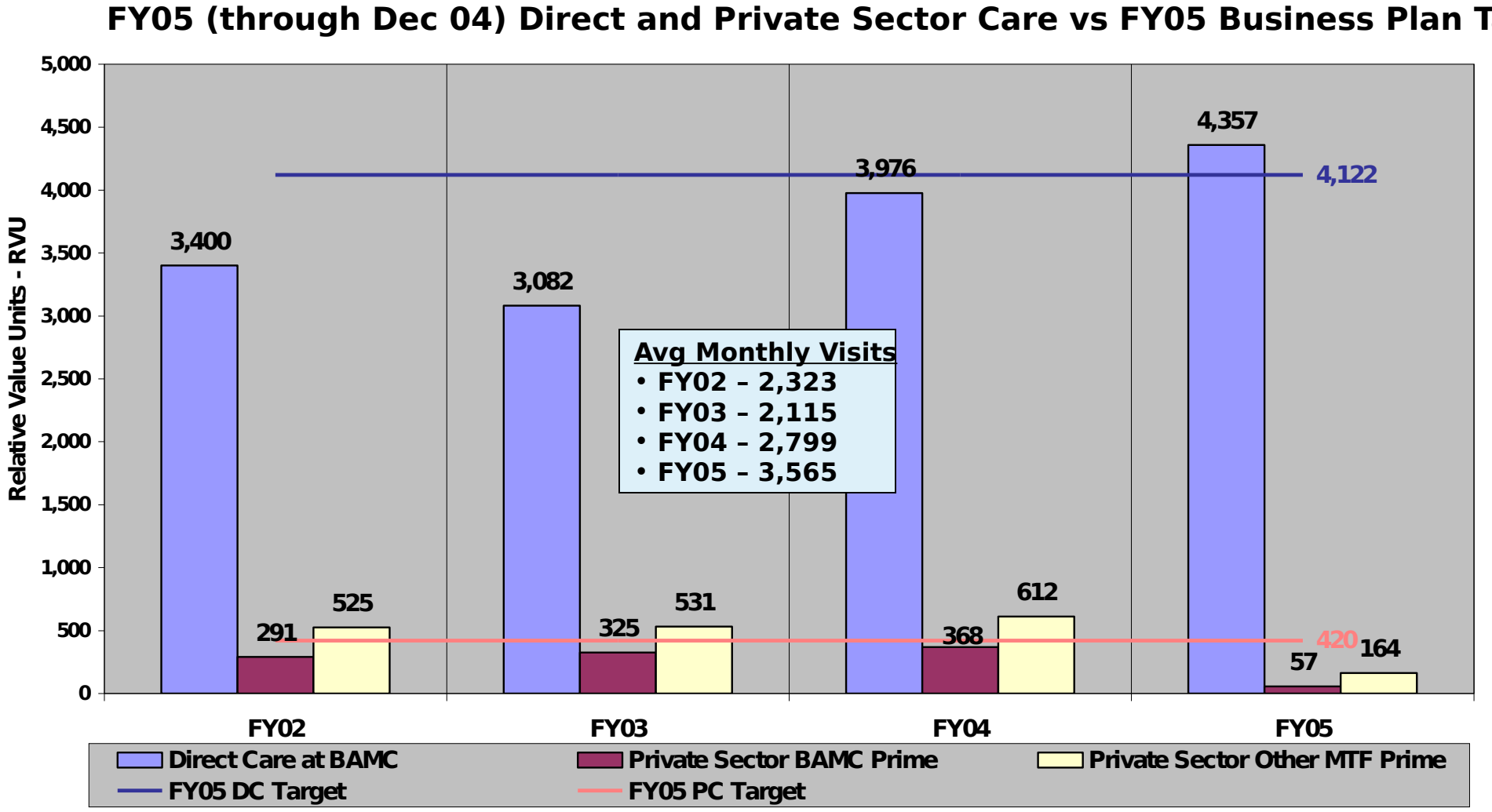
Direct and Private Sector Care Avg Monthly RVUs Cardiology



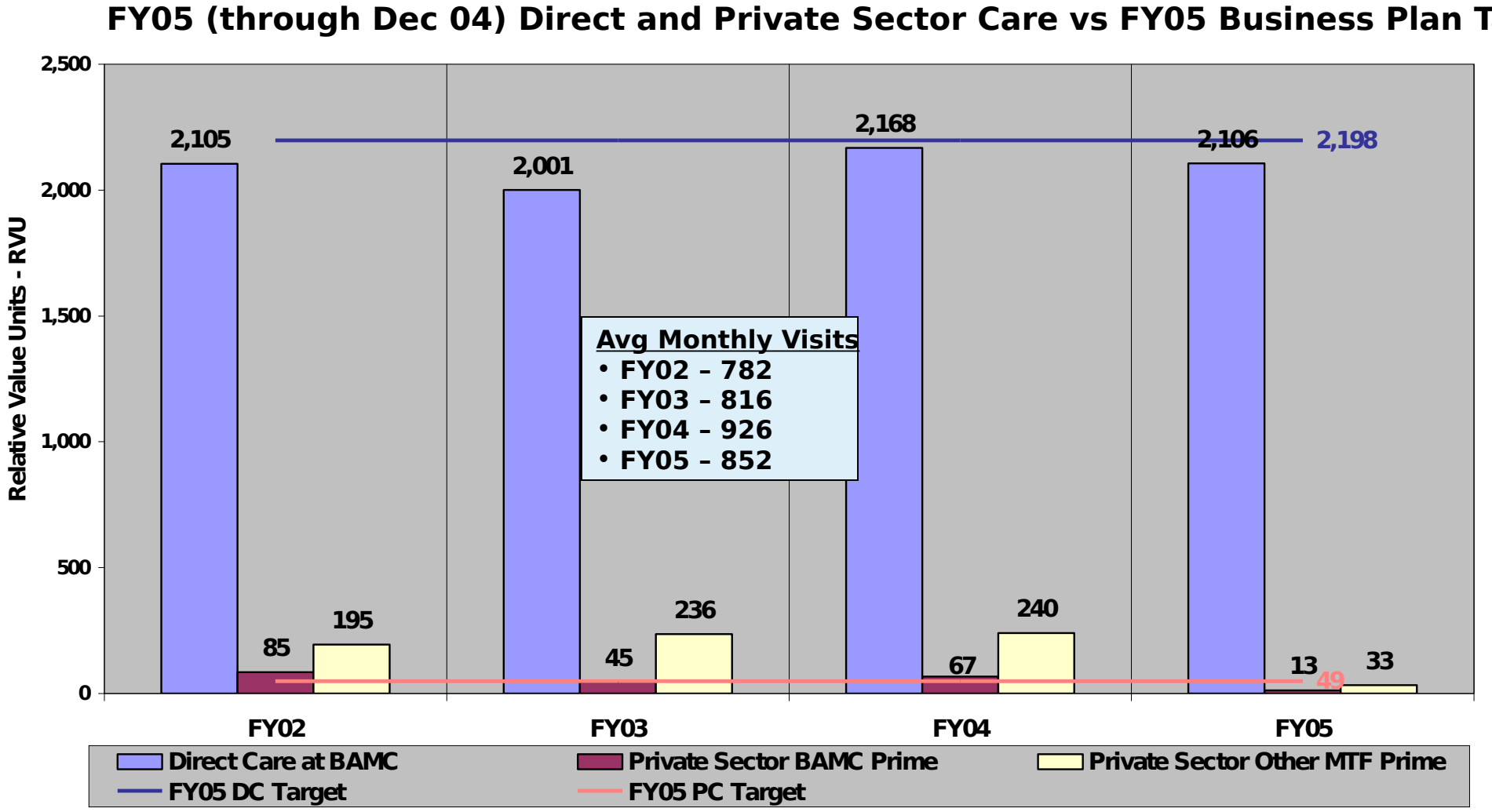
Direct and Private Sector Care Avg Monthly RVUs Dermatology



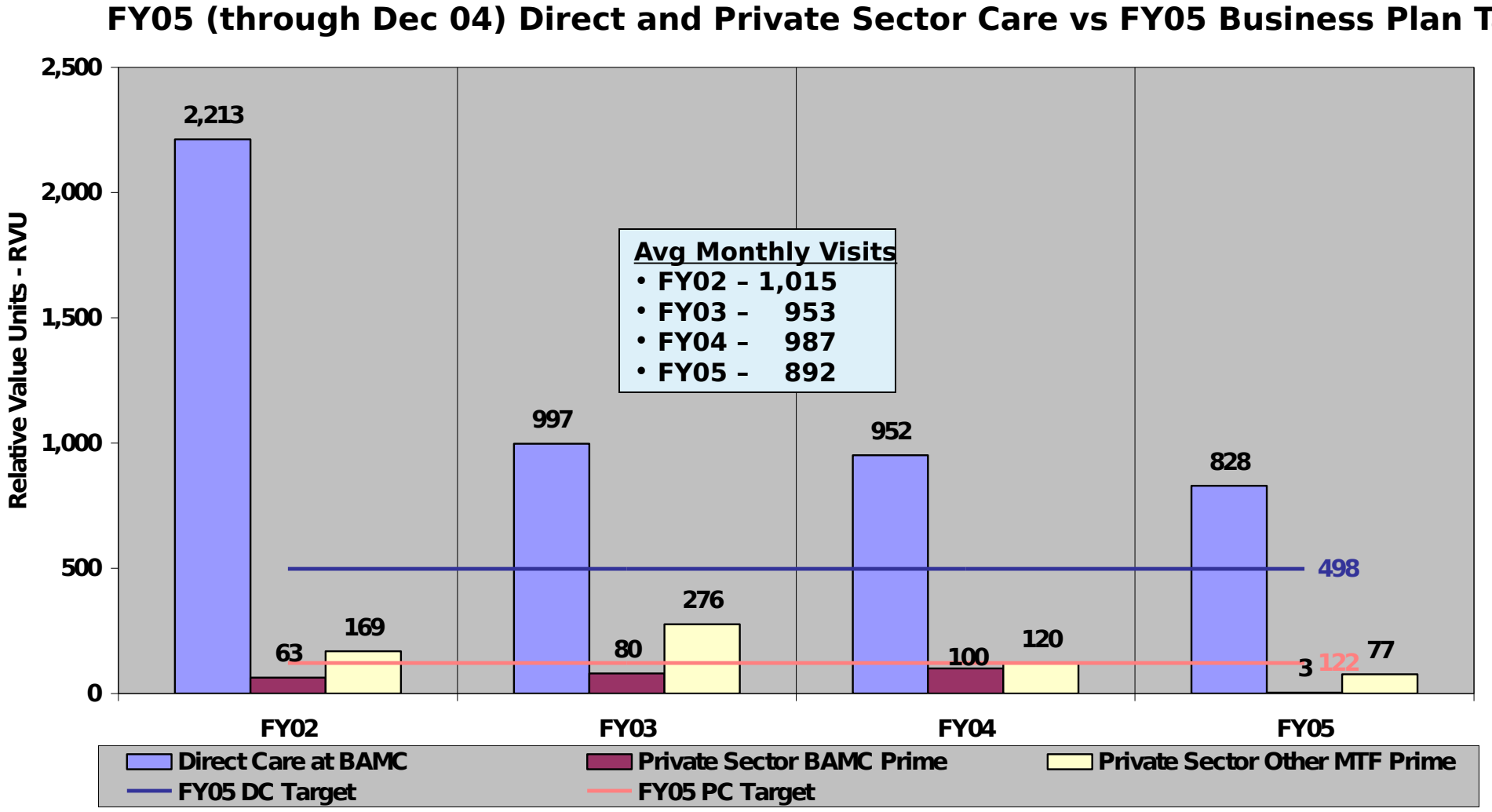
Direct and Private Sector Care Avg Monthly RVUs Emergency Medicine



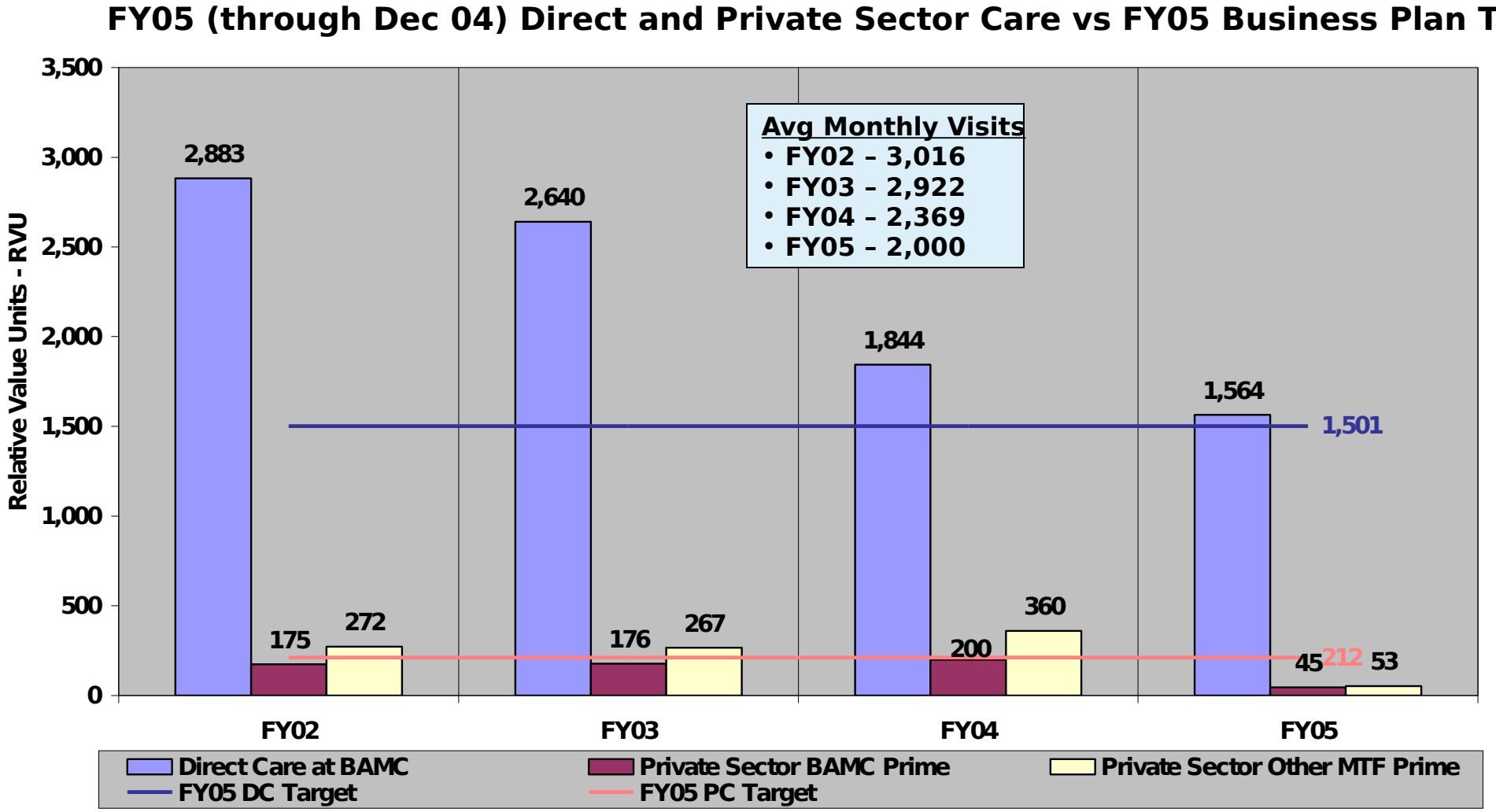
Direct and Private Sector Care Avg Monthly RVUs Gastroenterology



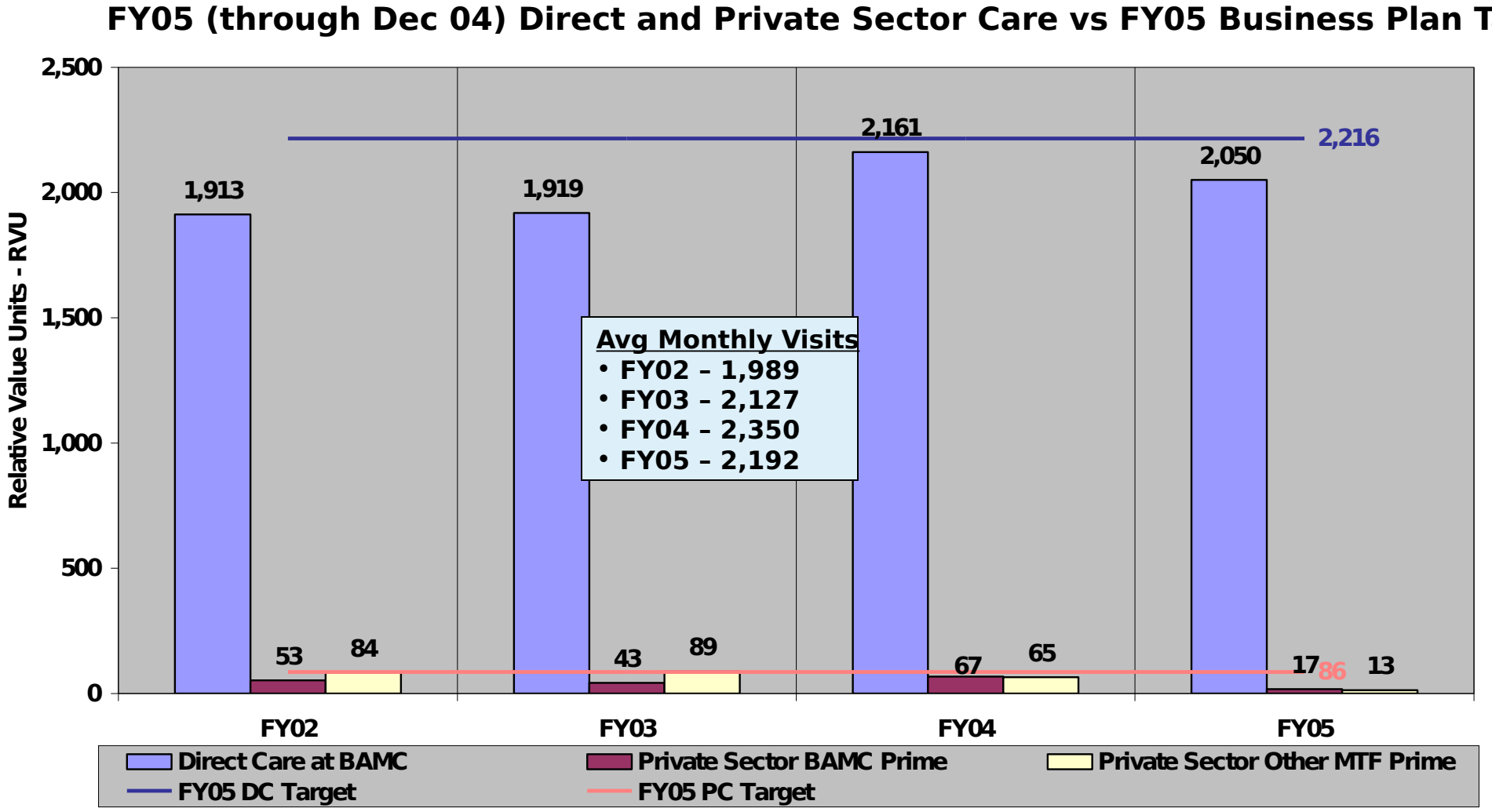
Direct and Private Sector Care Avg Monthly RVUs General Surgery



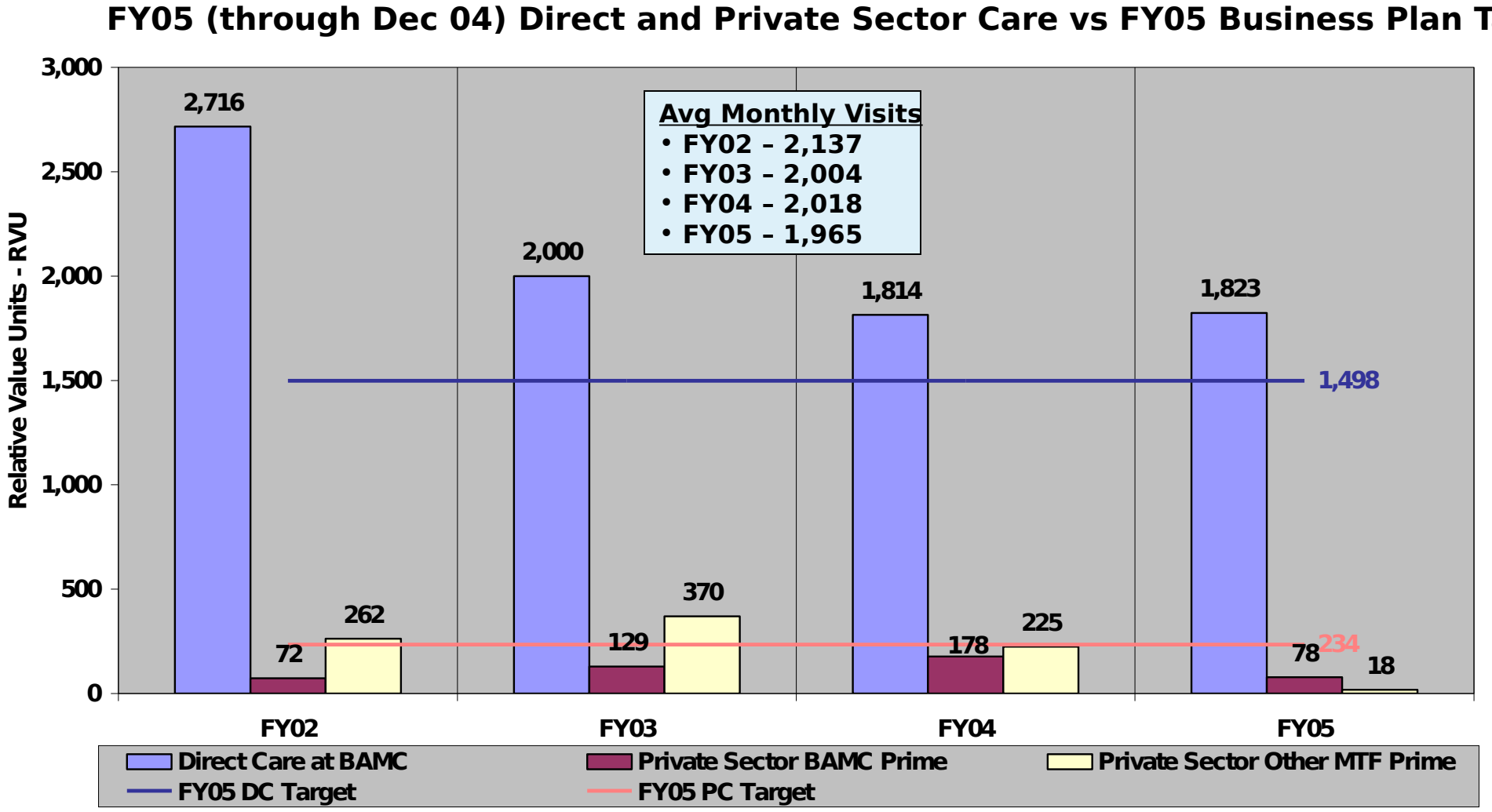
Direct and Private Sector Care Avg Monthly RVUs Internal Medicine



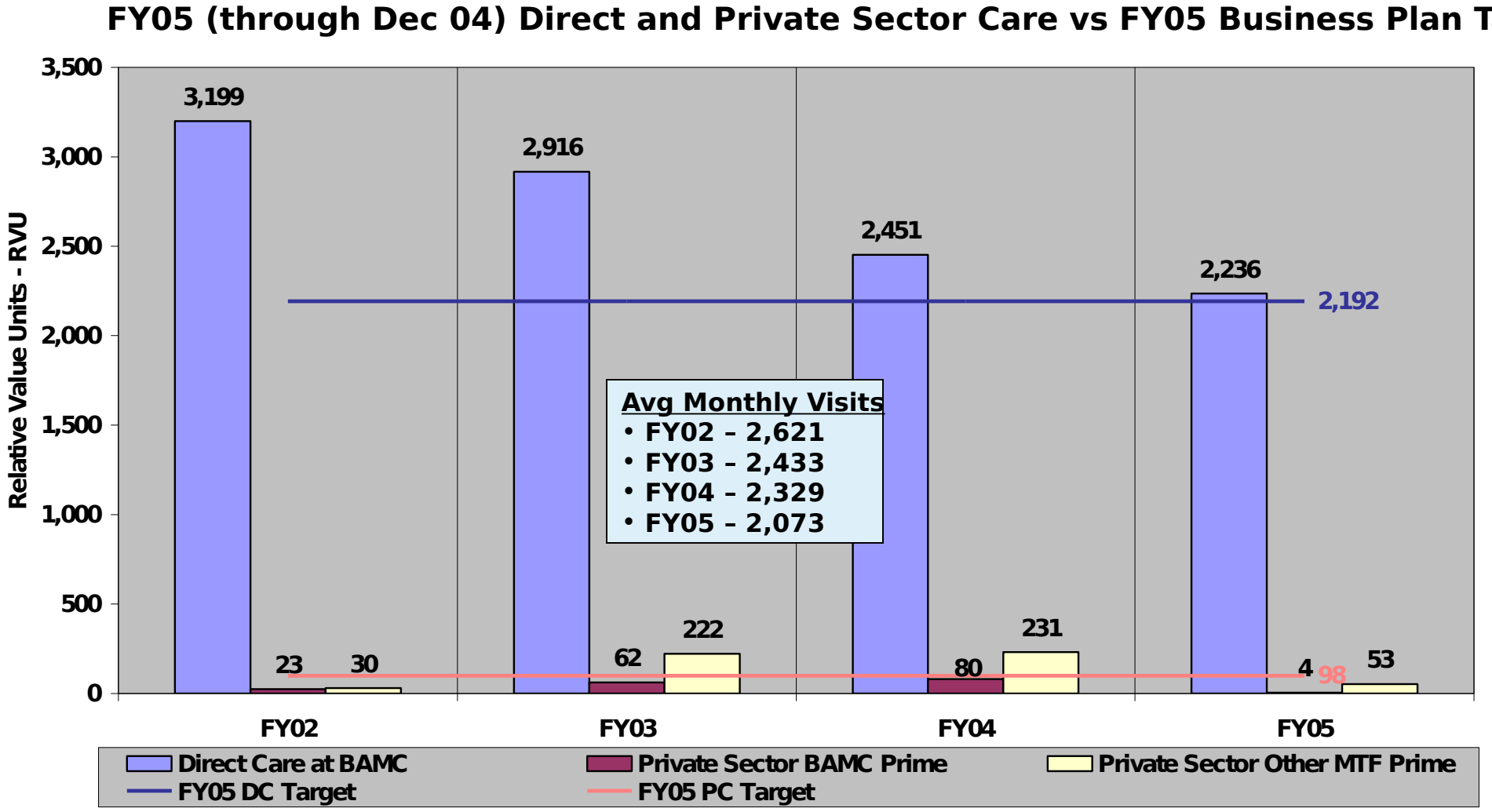
Direct and Private Sector Care Avg Monthly RVUs Ophthalmology



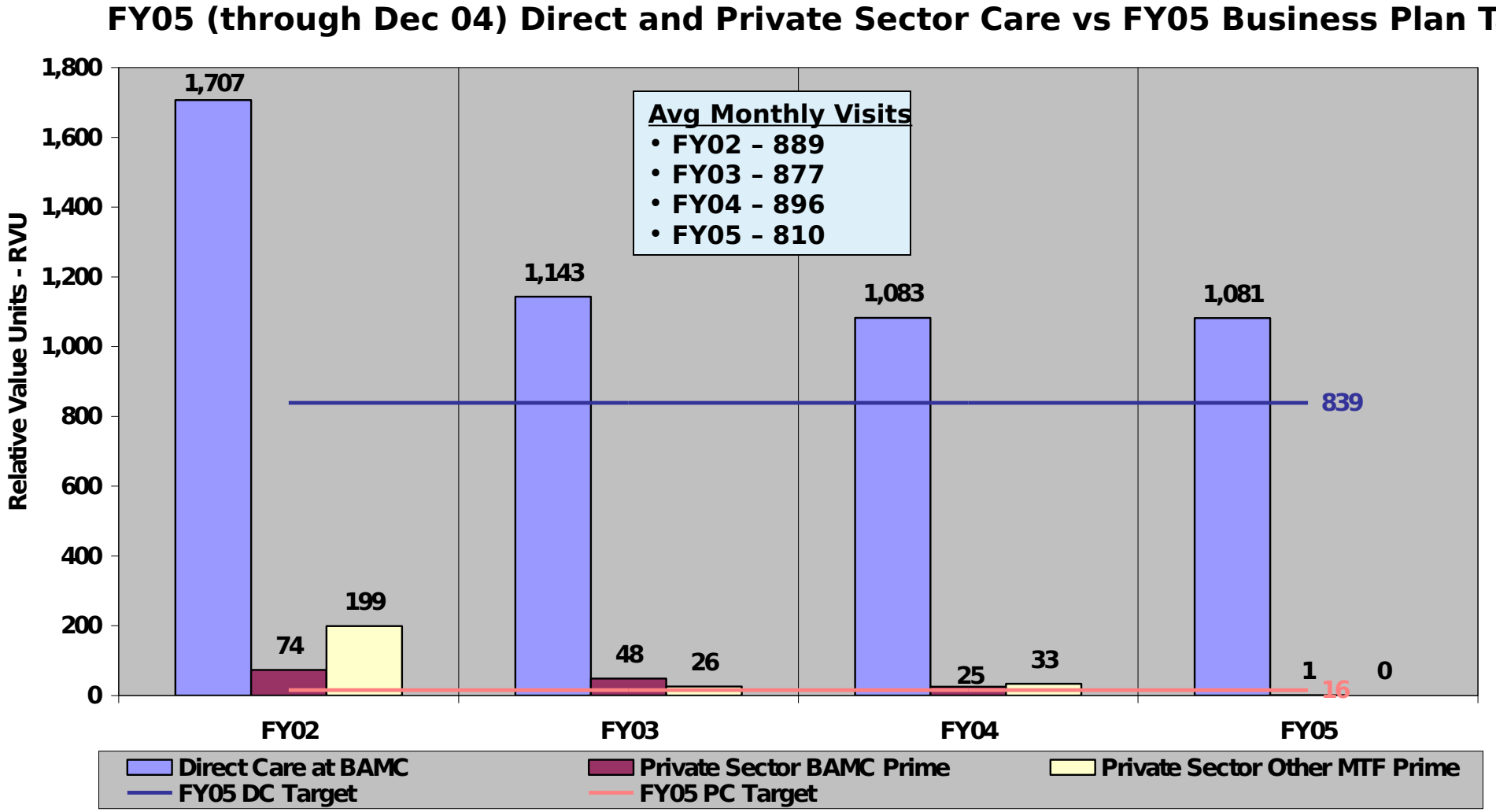
Direct and Private Sector Care Avg Monthly RVUs Orthopedics



Direct and Private Sector Care Avg Monthly RVUs Pediatrics



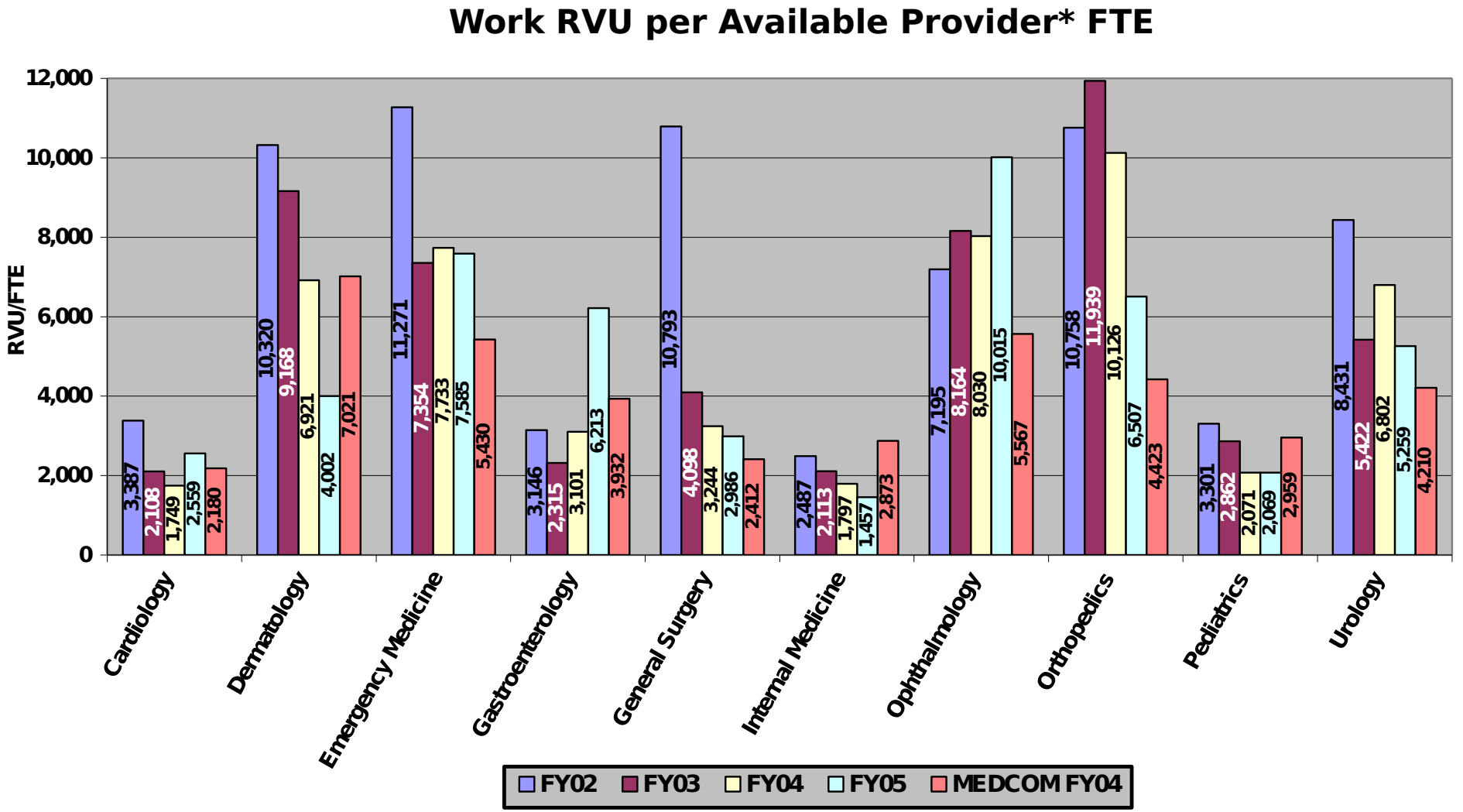
Direct and Private Sector Care Avg Monthly RVUs Urology



FY05 Business Plan Targets Score Card

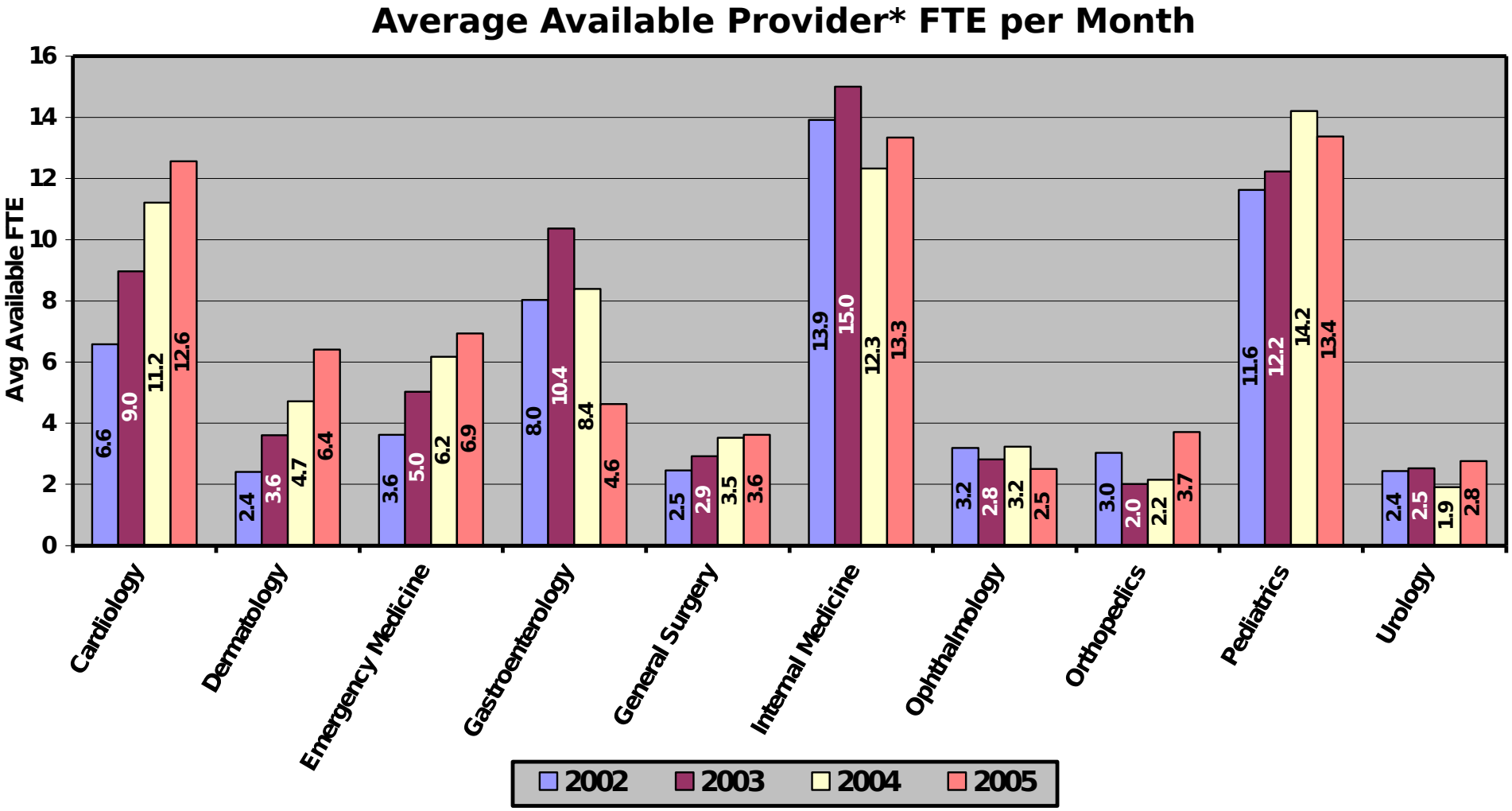
- **Direct Care Target**
  - **Exceeding**
    - Cardiology
    - Emergency Medicine
    - General Surgery
    - Internal Medicine
    - Orthopedics
    - Pediatrics
    - Urology
  - **Not Exceeding**
    - Dermatology
    - Gastroenterology
    - Ophthalmology
- **Private Sector Care Target**
  - **Not Exceeding**
    - Cardiology
    - Dermatology
    - Emergency Medicine
    - Gastroenterology
    - General Surgery
    - Internal Medicine
    - Ophthalmology
    - Orthopedics
    - Pediatrics
    - Urology
  - **Exceeding**

BAMC Productivity FY02-FY05 (through Nov 04) and FY04 MEDCOM Comparison



*Provider FTEs include Physicians, Fellows, and if applicable, Skill Type II (i.e. PA, NP, etc.) person

Manpower Reported
FY02-FY05 (through Nov 04)



*Provider FTEs include Physicians, Fellows, and if applicable, Skill Type II (i.e. PA, NP, etc.) person

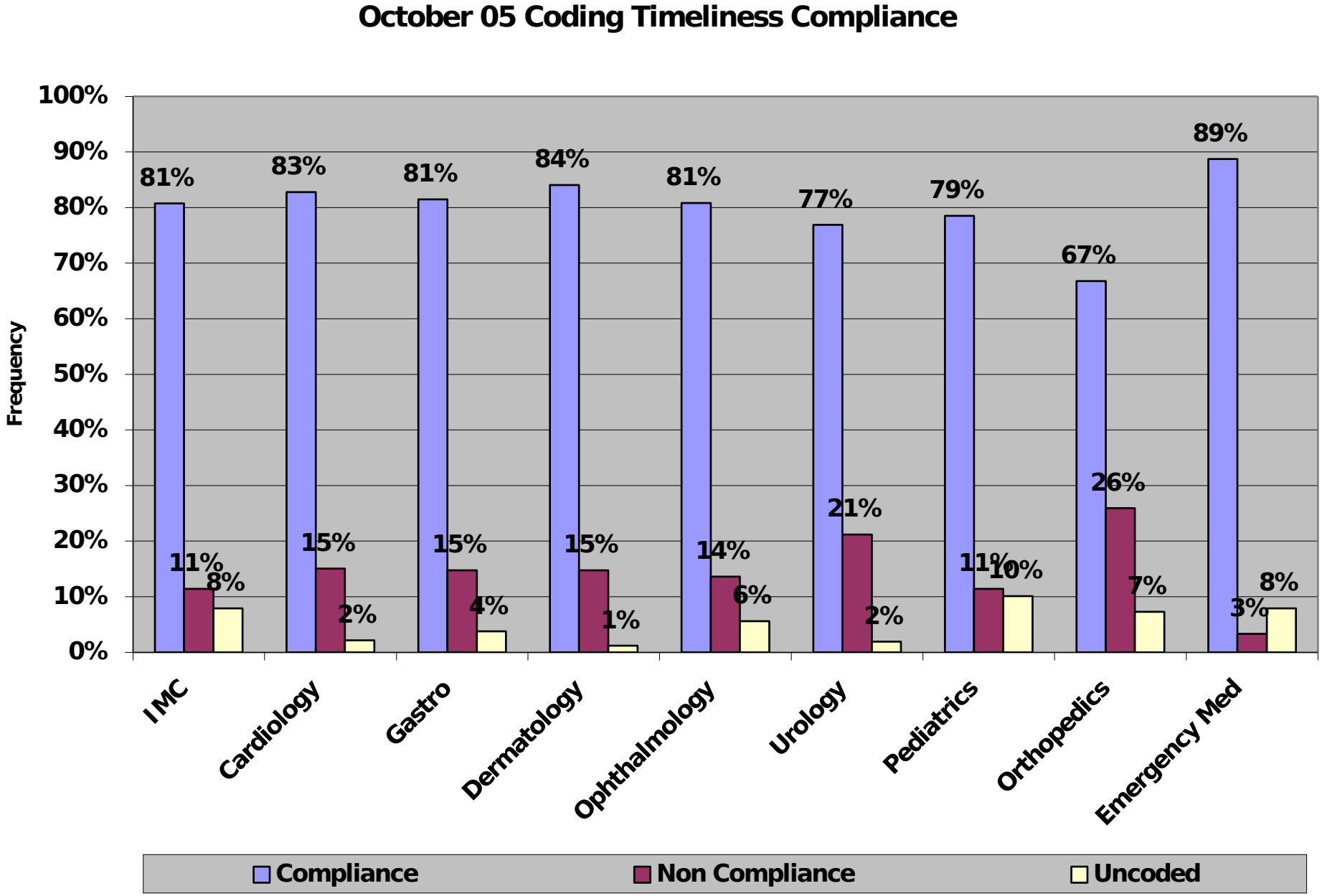
Coding

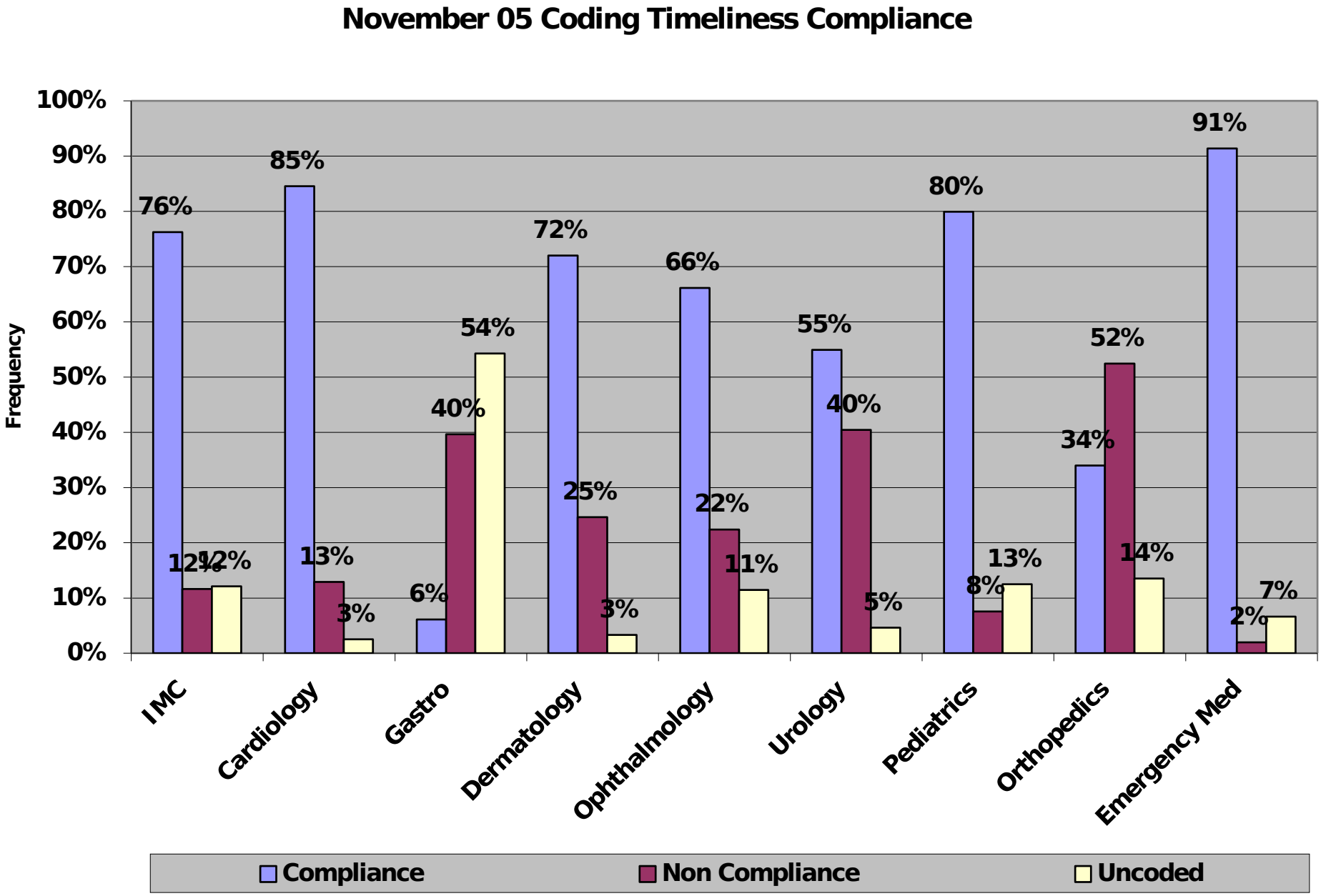
Importance of Coding and Data Capture

- If record is not coded, there is no completed SADR which amounts to 0 RVUs and 0 encounters processed in M2
  - M2 is the data system of record used by OTSG for tracking RVU workload and provider productivity and is being used for funding and resource allocations at the MTF

Coding Timeliness

- Coding Timeliness means:
  - Outpatient encounters are coded within (3) days of date of encounter
  - Ambulatory Procedure Visits are coded within (15) days of date of encounter
- Coding Timeliness requirements come from Office of the Assistant Secretary of Defense for Health Affairs
- Coding Timeliness is also part of the Commanders Data Quality Statement
  - Goal is **97%** Coding Timeliness Compliance


October 05 Coding Timeliness Compliance
Frequency
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
81%
11%
8%
83%
15%
2%
81%
15%
4%
84%
15%
1%
81%
14%
6%
77%
21%
2%
79%
11%
10%
67%
26%
7%
89%
3%
8%
IMC
Cardiology
Gastro
Dermatology
Ophthalmology
Urology
Pediatrics
Orthopedics
Emergency Med
Compliance
Non Compliance
Uncoded


November 05 Coding Timeliness Compliance
Frequency
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
76%
12%
12%
85%
13%
3%
6%
40%
54%
72%
25%
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66%
22%
11%
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5%
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14%
91%
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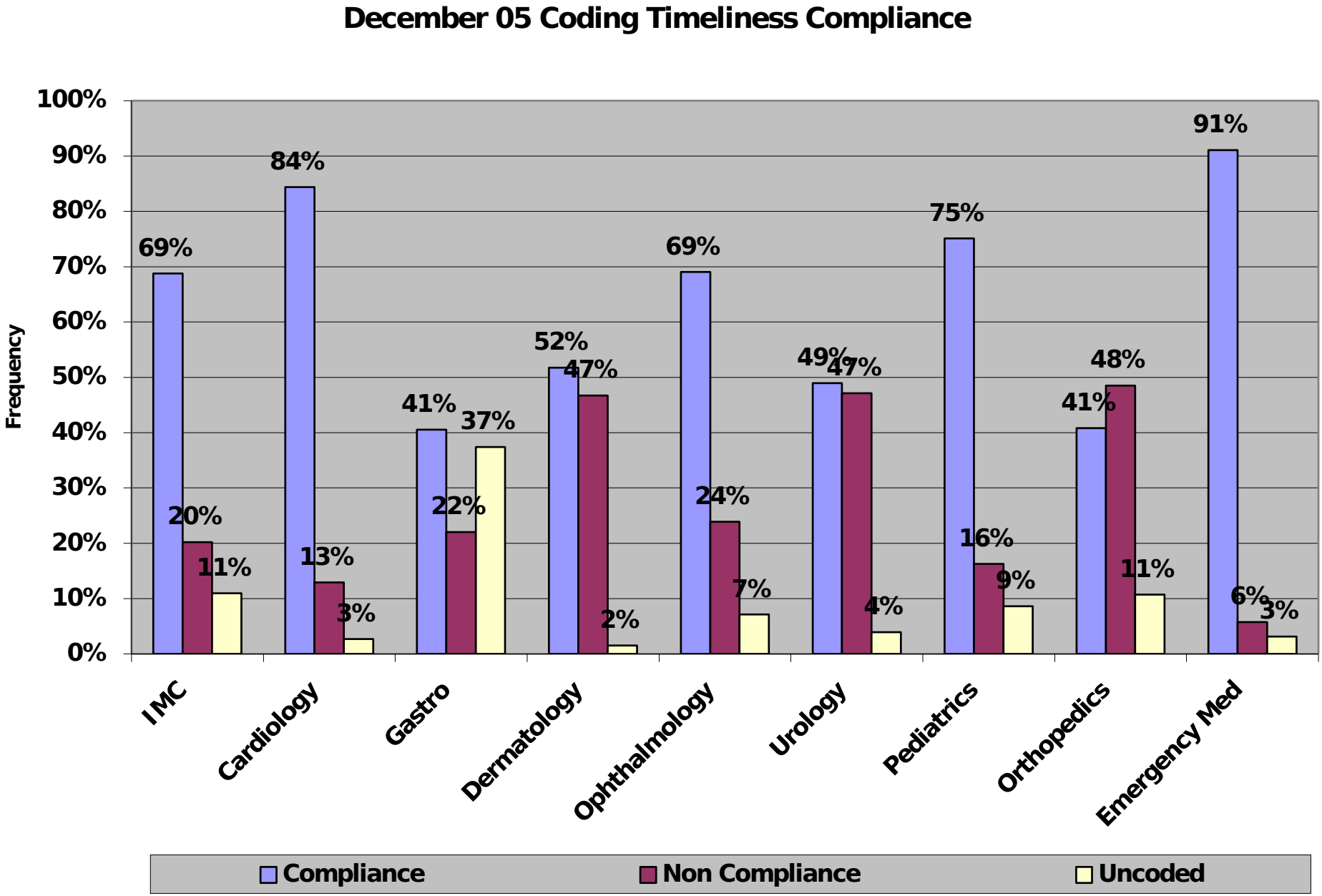
Dermatology
Ophthalmology
Urology
Pediatrics
Orthopedics
Emergency Med
Compliance
Non Compliance
Uncoded


December 05 Coding Timeliness Compliance
Frequency
100%
90%
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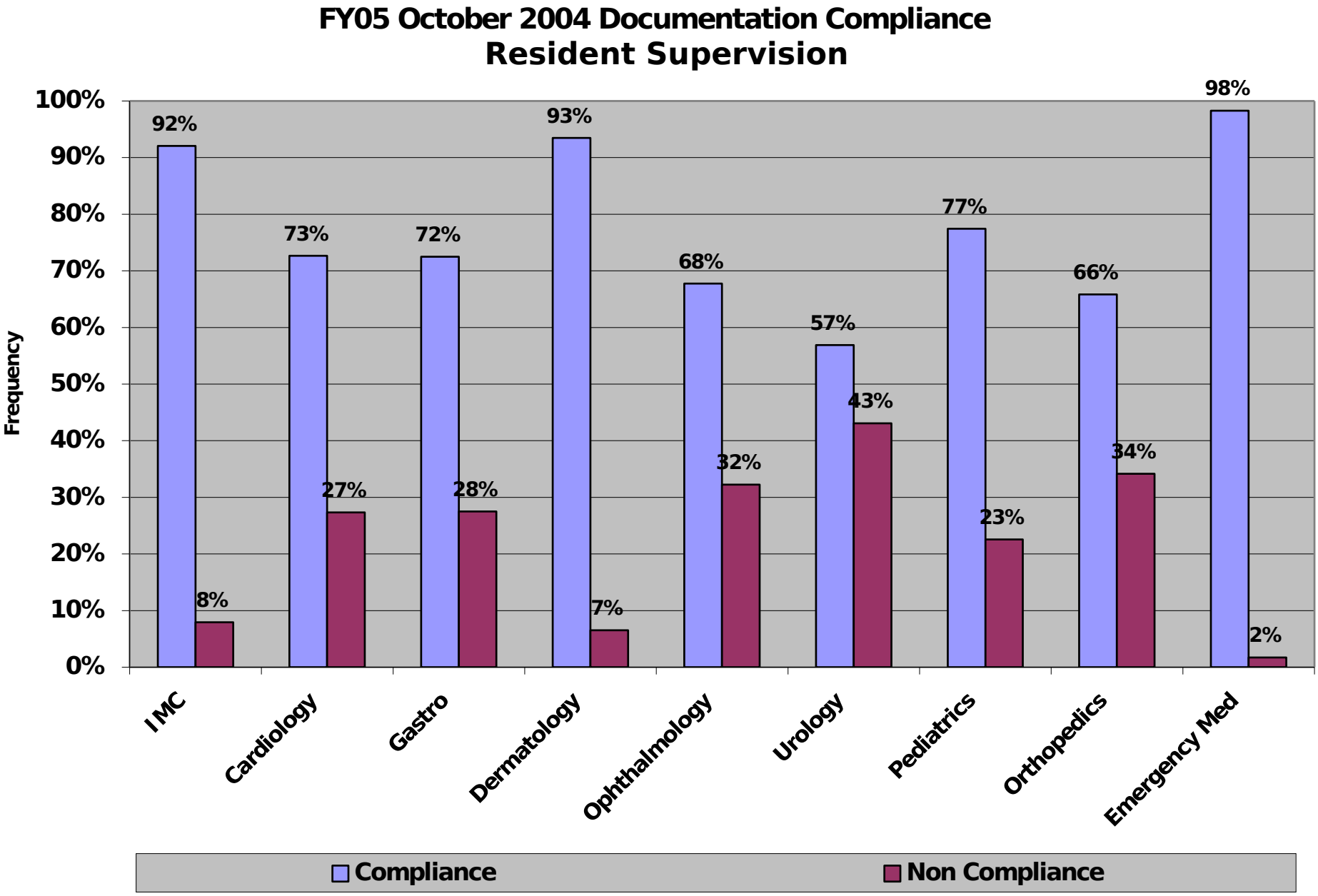
IMC
Cardiology
Gastro
Dermatology
Ophthalmology
Urology
Pediatrics
Orthopedics
Emergency Med
Compliance
Non Compliance
Uncoded


FY05 October 2004 Documentation Compliance
Resident Supervision
Frequency
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
92%
8%
73%
27%
72%
28%
93%
7%
68%
32%
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Cardiology
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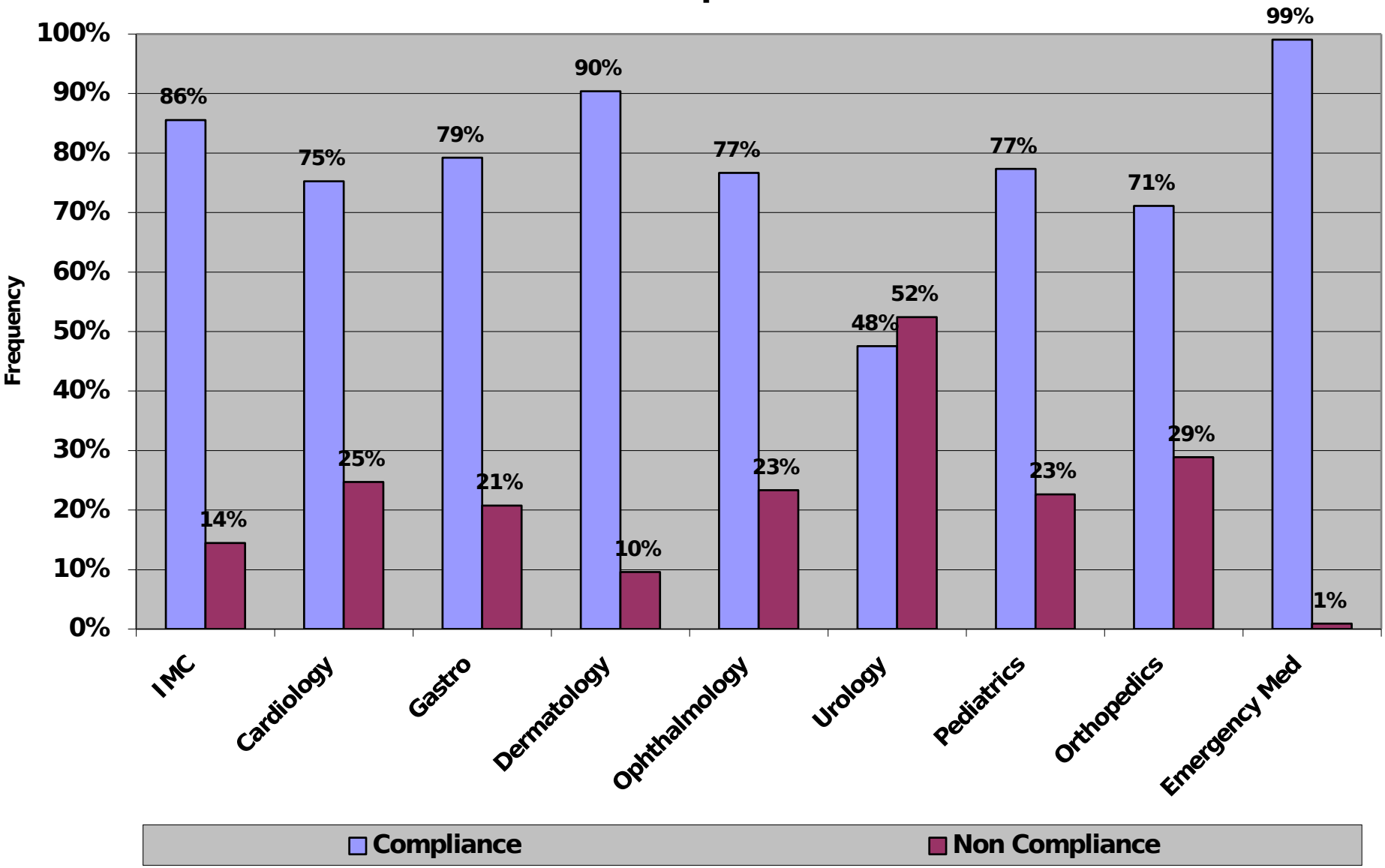
Compliance
Non Compliance


FY05 November 2004 Documentation Compliance
Resident Supervision
Frequency
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71%
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IMC
Cardiology
Gastro
Dermatology
Ophthalmology
Urology
Pediatrics
Orthopedics
Emergency Med
Compliance
Non Compliance

BAMC Enrollment

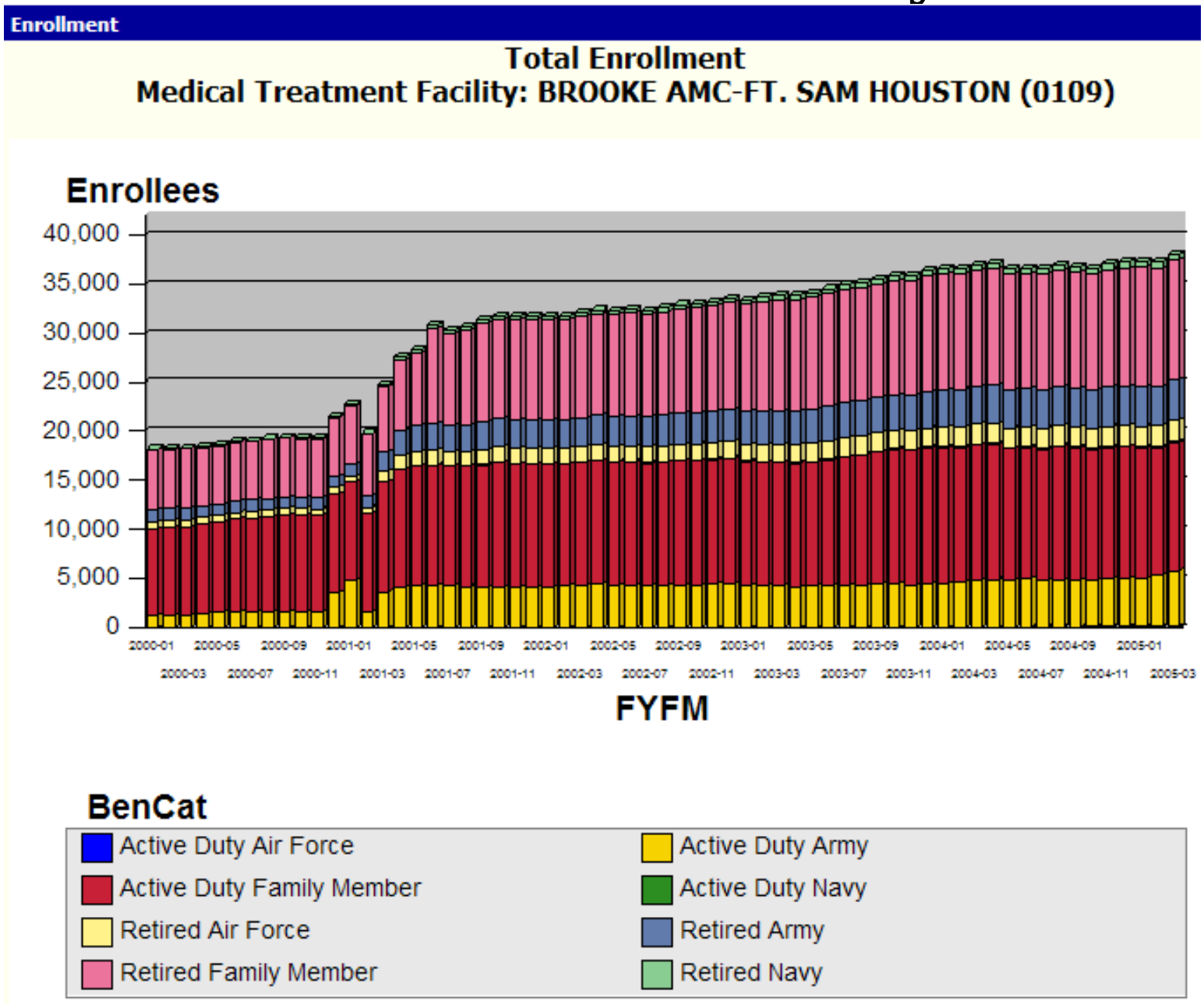
Enrollment Rules and Exceptions

- All enrollment is handled by Humana
- Eligible beneficiaries may enroll at TSC in basement of BAMC or online at http://www.humana-military.com/south/bene/TRICAREResources/forms/BeneForms.htm
- Enrollment is required to DoD facility first, then option to Network Prime Provider and dependent upon MTF capacity and business rules (i.e. closed except to Camp Bullis)

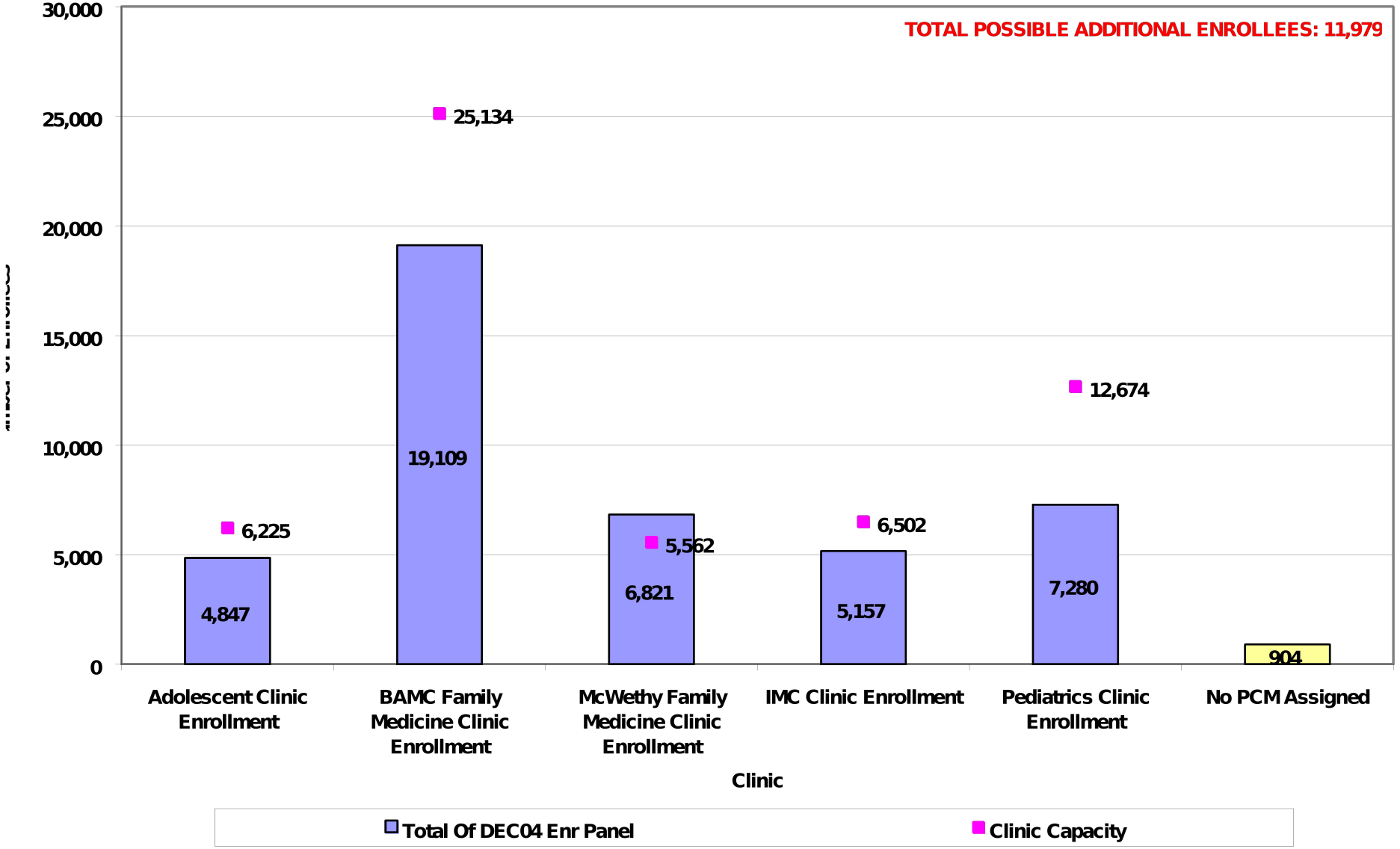
Enrollment Rules and Exceptions

- When enrollment is closed, then PCM movement is restricted (exceptions only)
- Exception are processed at the TSC desk and reviewed by enrollment management team
- Denials may be challenged and come to Chief, Dept of Clinical Operations
- Exceptions may be due to special circumstances, beneficiary category or zip code, or may be based on provider-patient relationship

BAMC Enrollment Trend By FY and



Jan05 PCM Enrollment Capacity
Using Dec04 Enrollment (a/o 31Dec04)

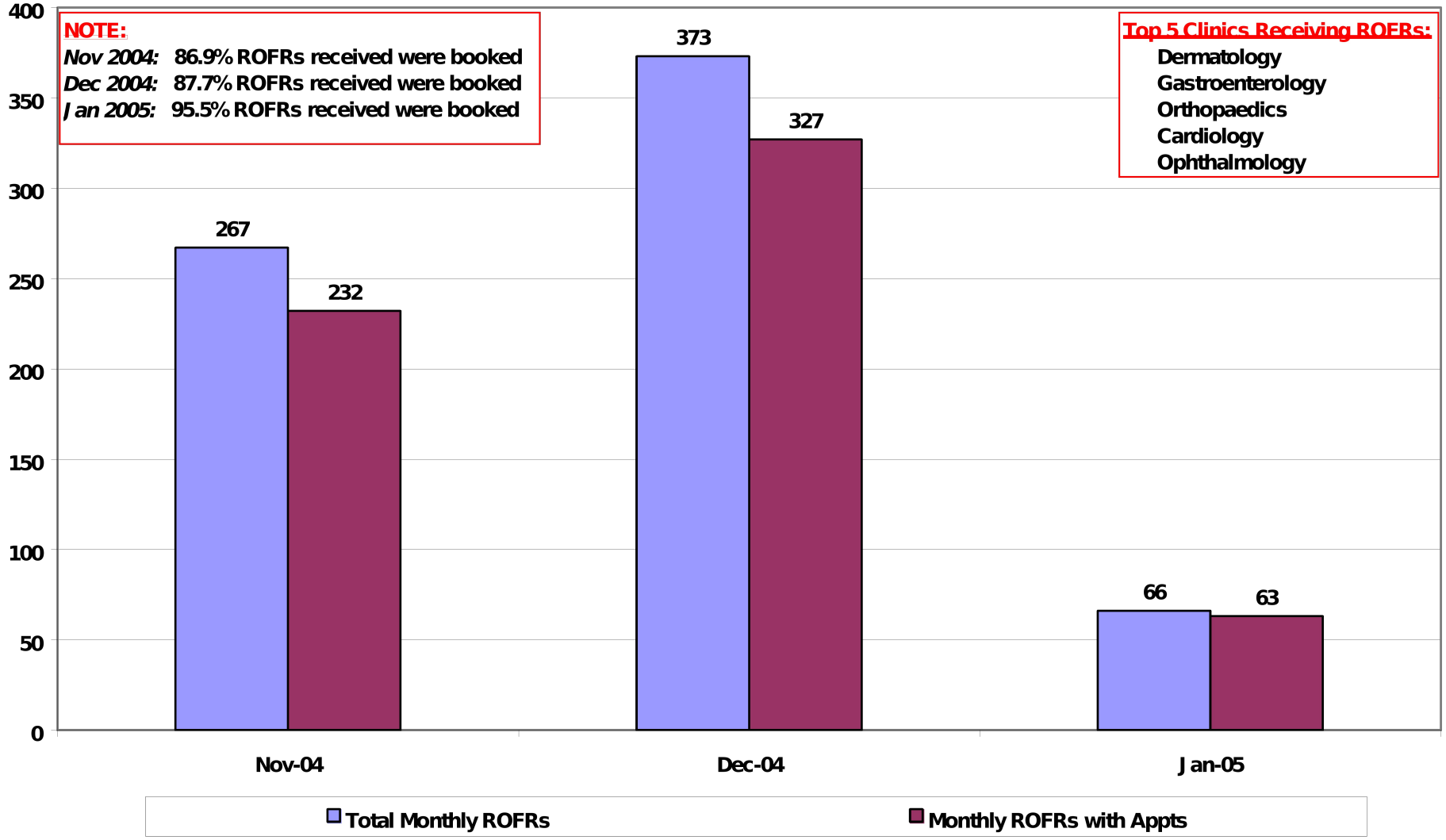


Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS

Created: 10 Jan 2005

SA-MM Right of First Refusals (ROFRs)

ROFRs: Overall Summary
Received vs Booked

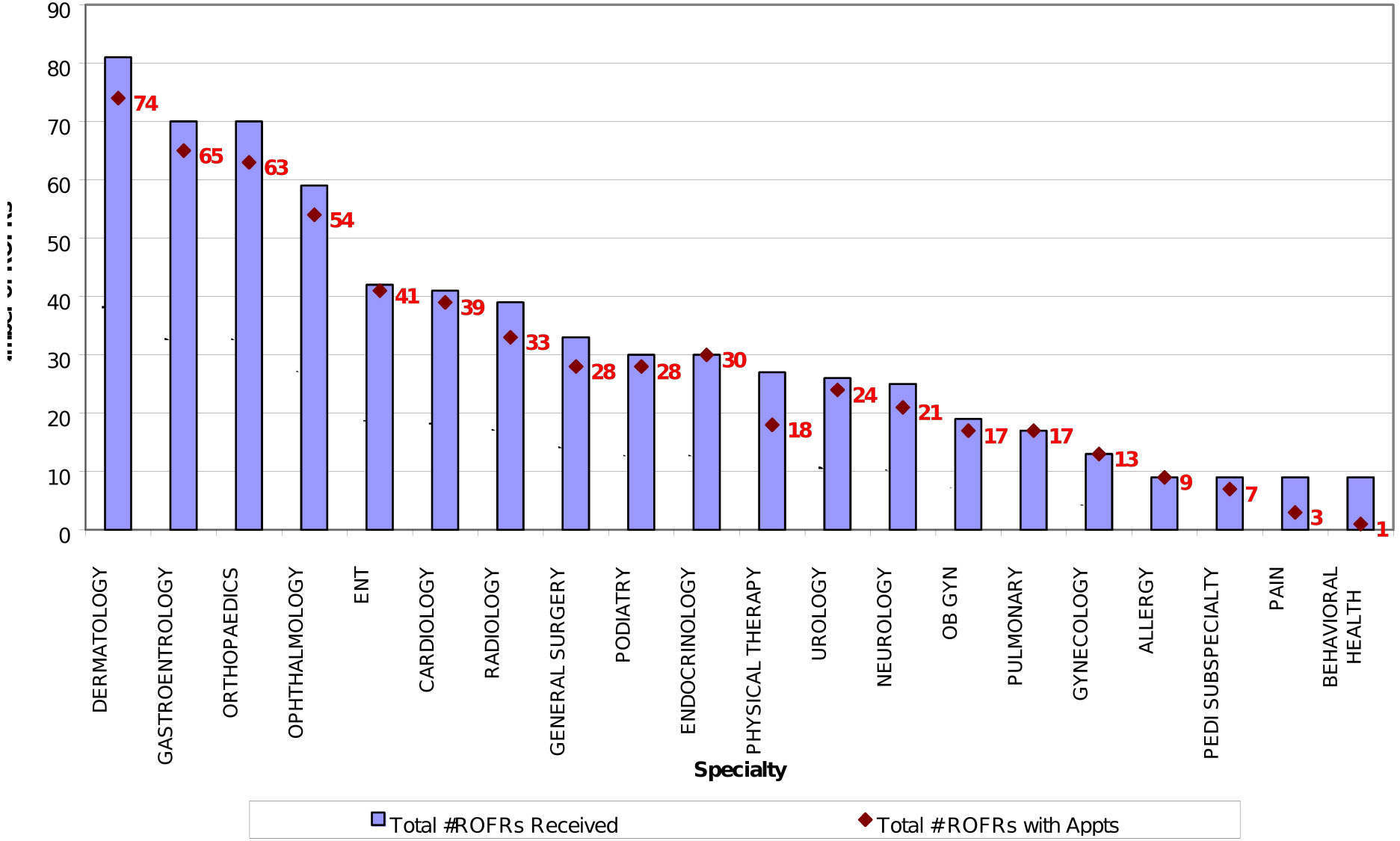


Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: DHCO ROFR Database

Created: 10 Jan 2005

ROFRs: Received vs Booked

Top 20 Specialties Receiving ROFRs



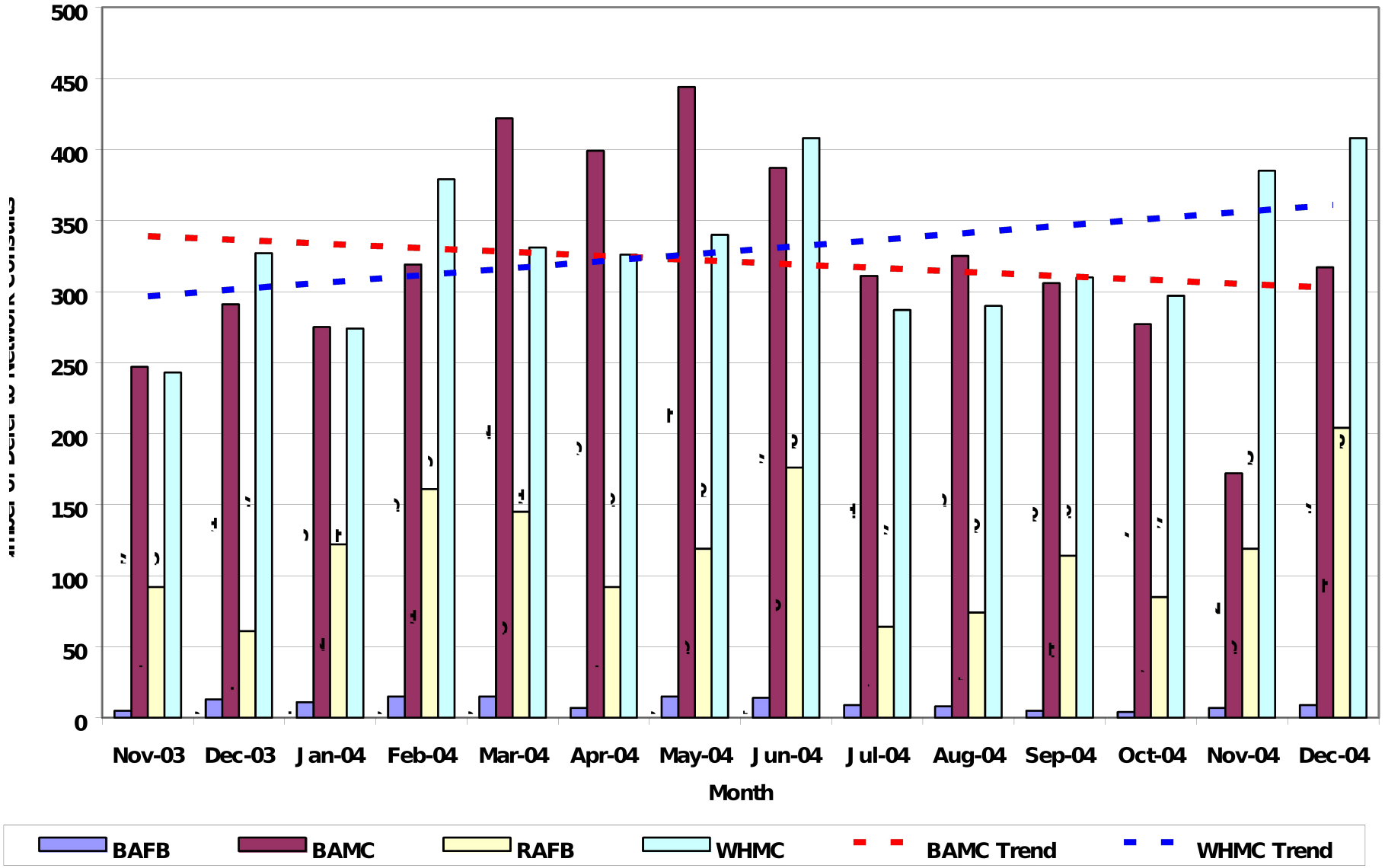
Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: DHCO ROFR Database

Created: 10 Jan 2005

Referrals

- Defer to Network Referrals
  - Defer to Network Consults for TRICARE Prime Enrollees
  - Top 10 Specialties Sent to Network
- Internal Referrals
  - SA-MM Internal Referrals
  - BAMC Top Clinics for Referral Management
    - Top 10 Admin Closed
    - Top 10 Least Closed
  - % of Referrals Administratively Closed

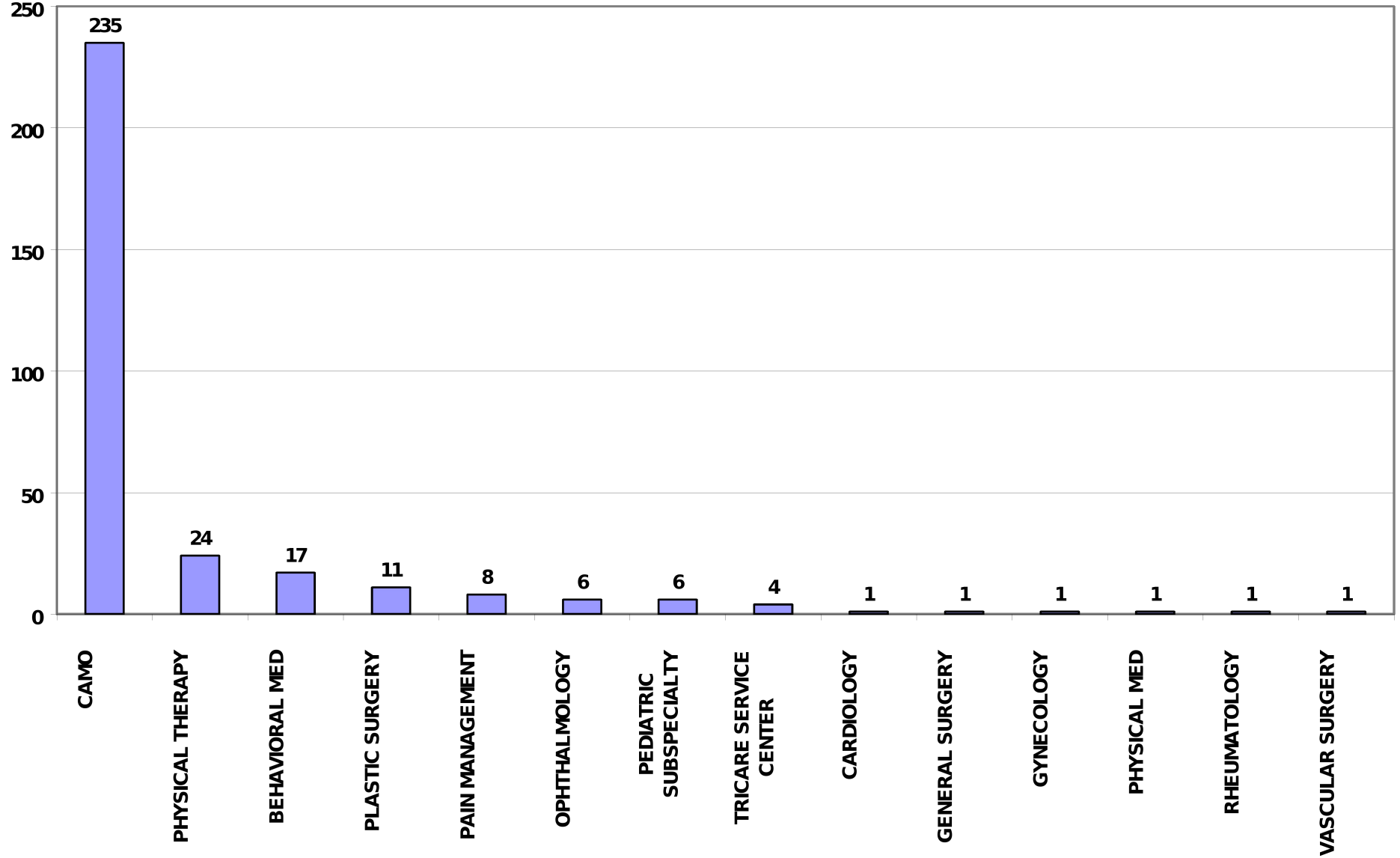
Defer to Network Consults: TRICARE PRIME ENROLLEES



Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS, DHCO Defer to Network Database

Created: 12 Jan 2005

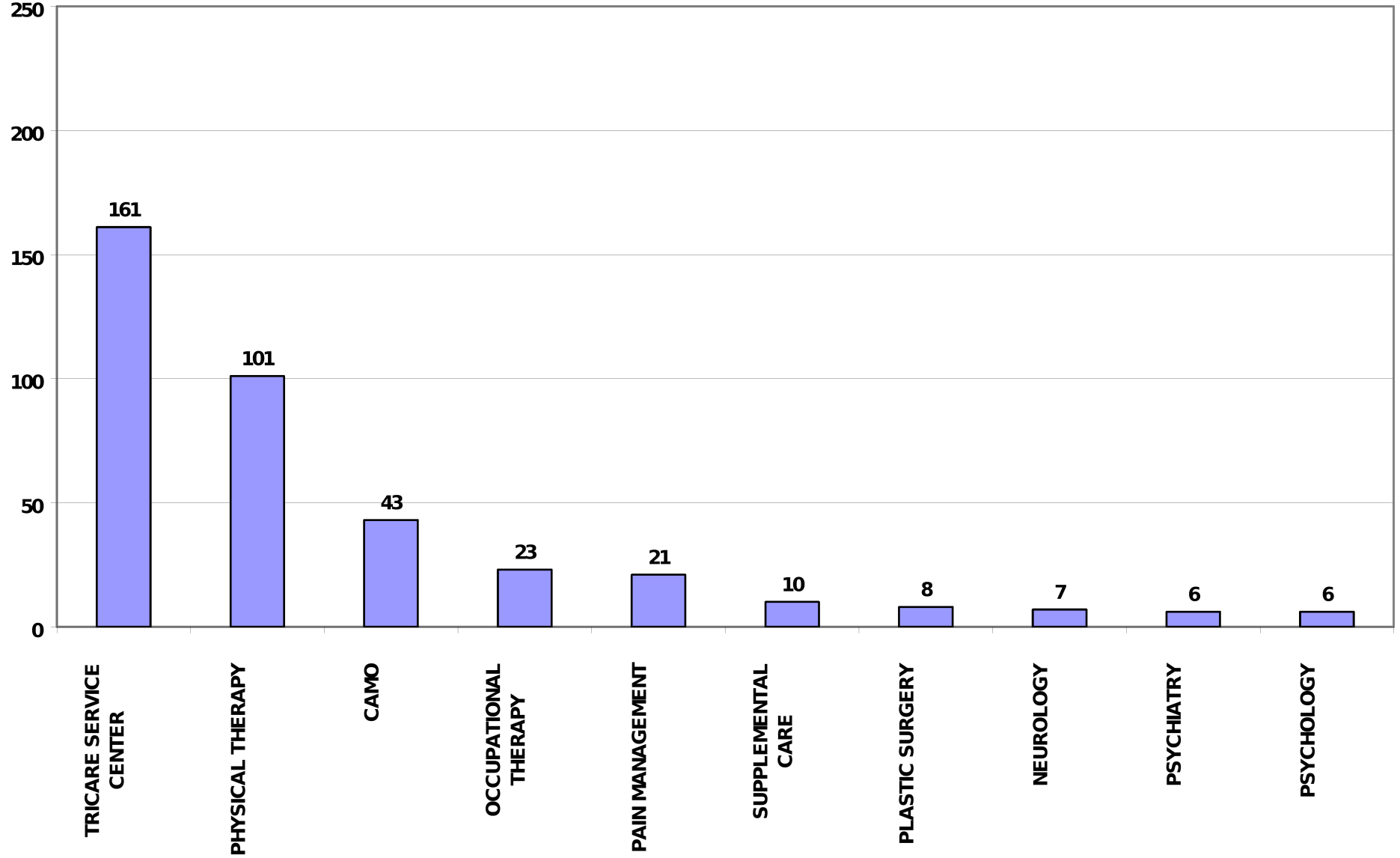
Dec04: BAMC Top Specialties Sent To Network



Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS, DHCO Defer to Network Database

Created: 12 Jan 2005

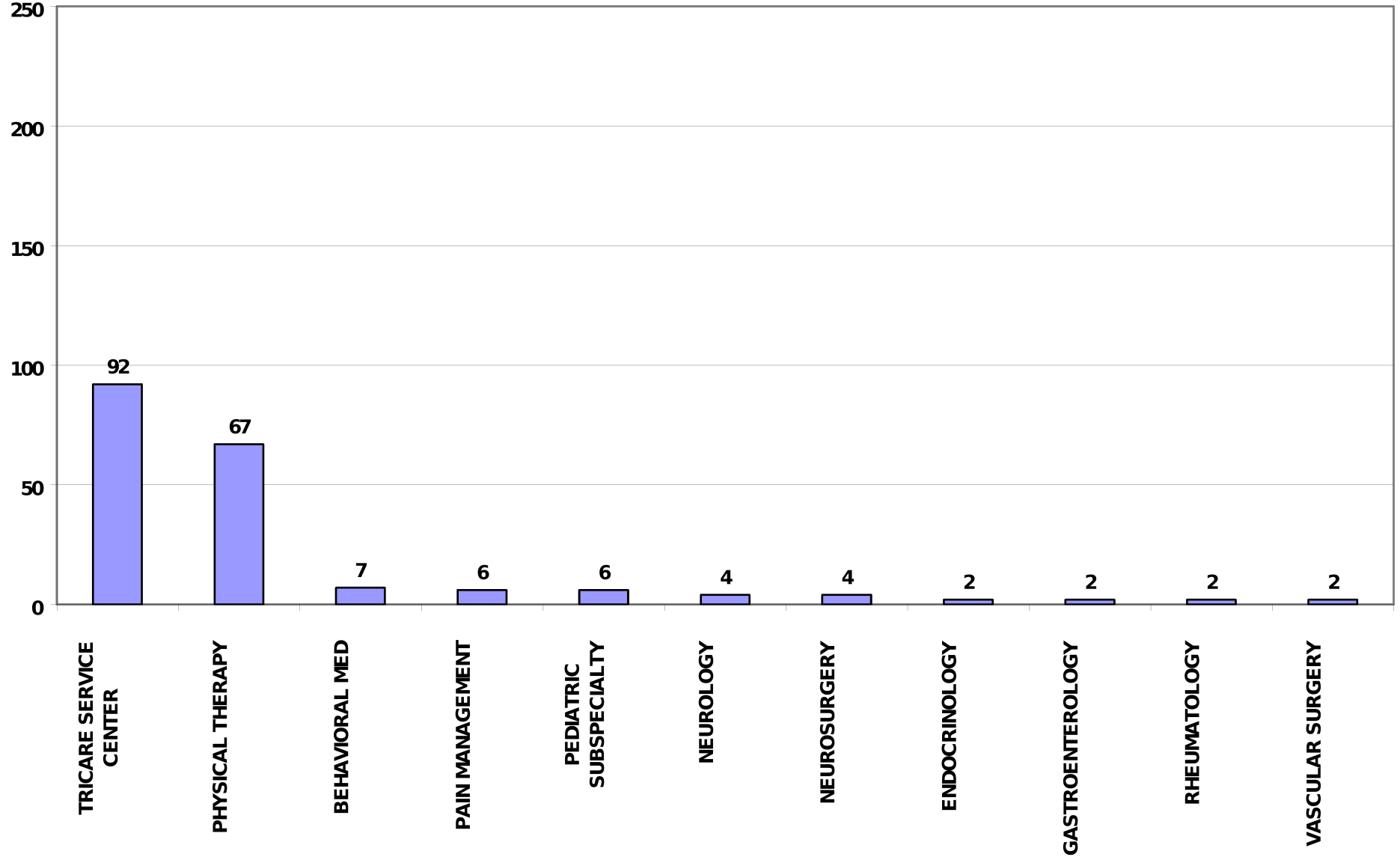
Dec04: WHMC Top Specialties Sent To Network



Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS, DHCO Defer to Network Database

Created: 12 Jan 2005

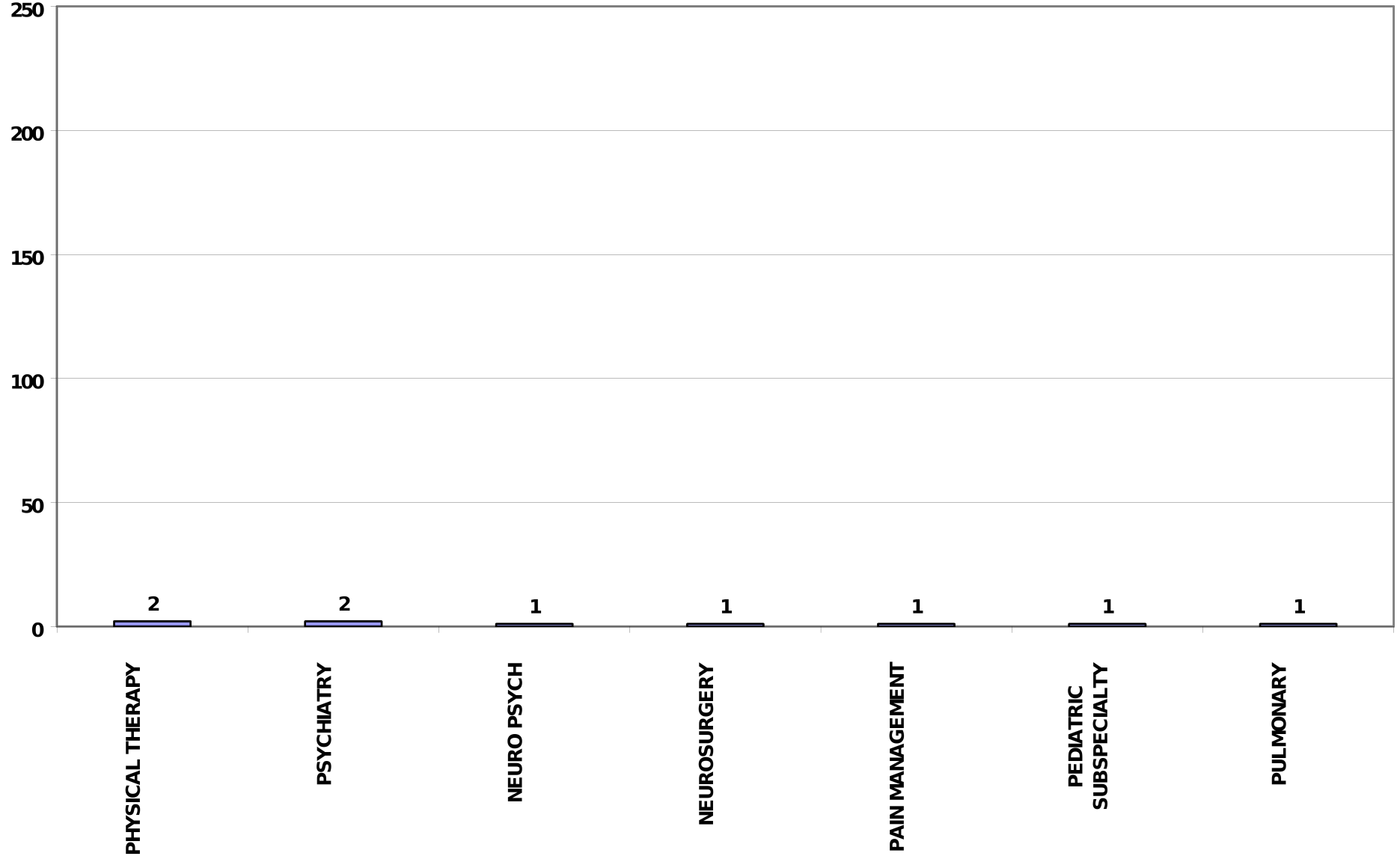
Dec04: RAFB Top Specialties Sent To Network



Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS, DHCO Defer to Network Database

Created: 12 Jan 2005

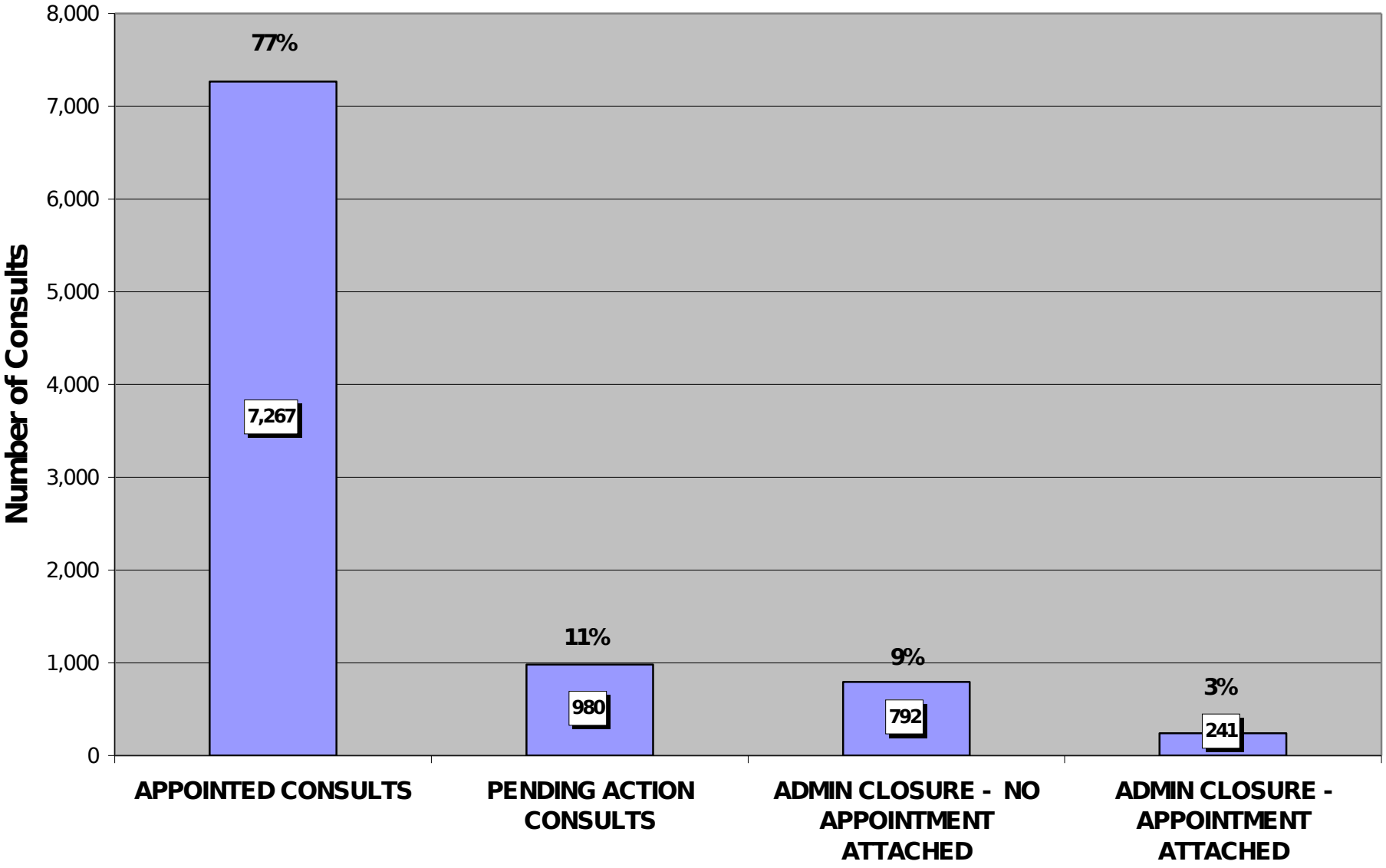
Dec04: BAFB Top Specialties Sent To Network



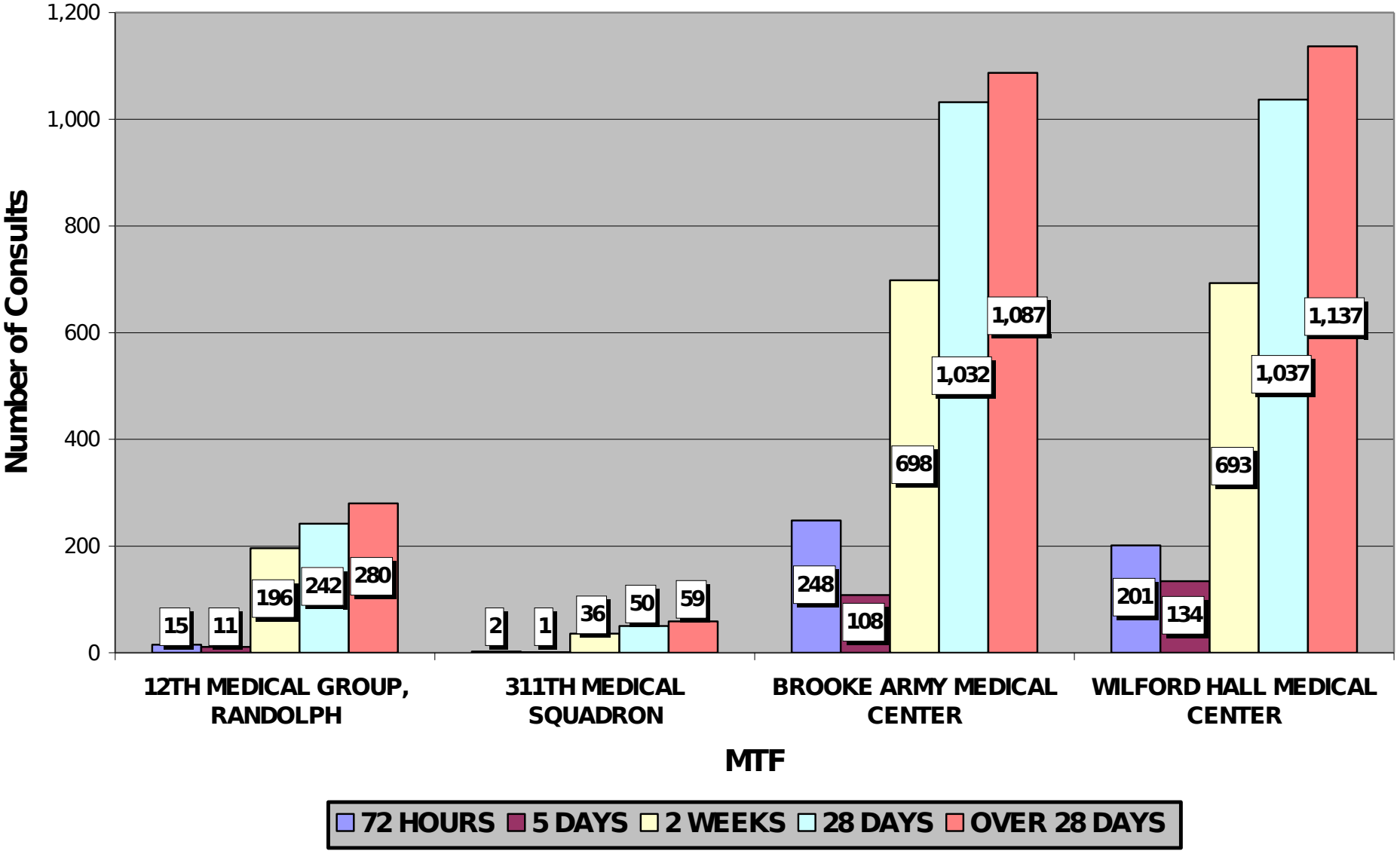
Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: CHCS, DHCO Defer to Network Database

Created: 12 Jan 2005

Internal Consult Order Status - December 04
Total = 9,292



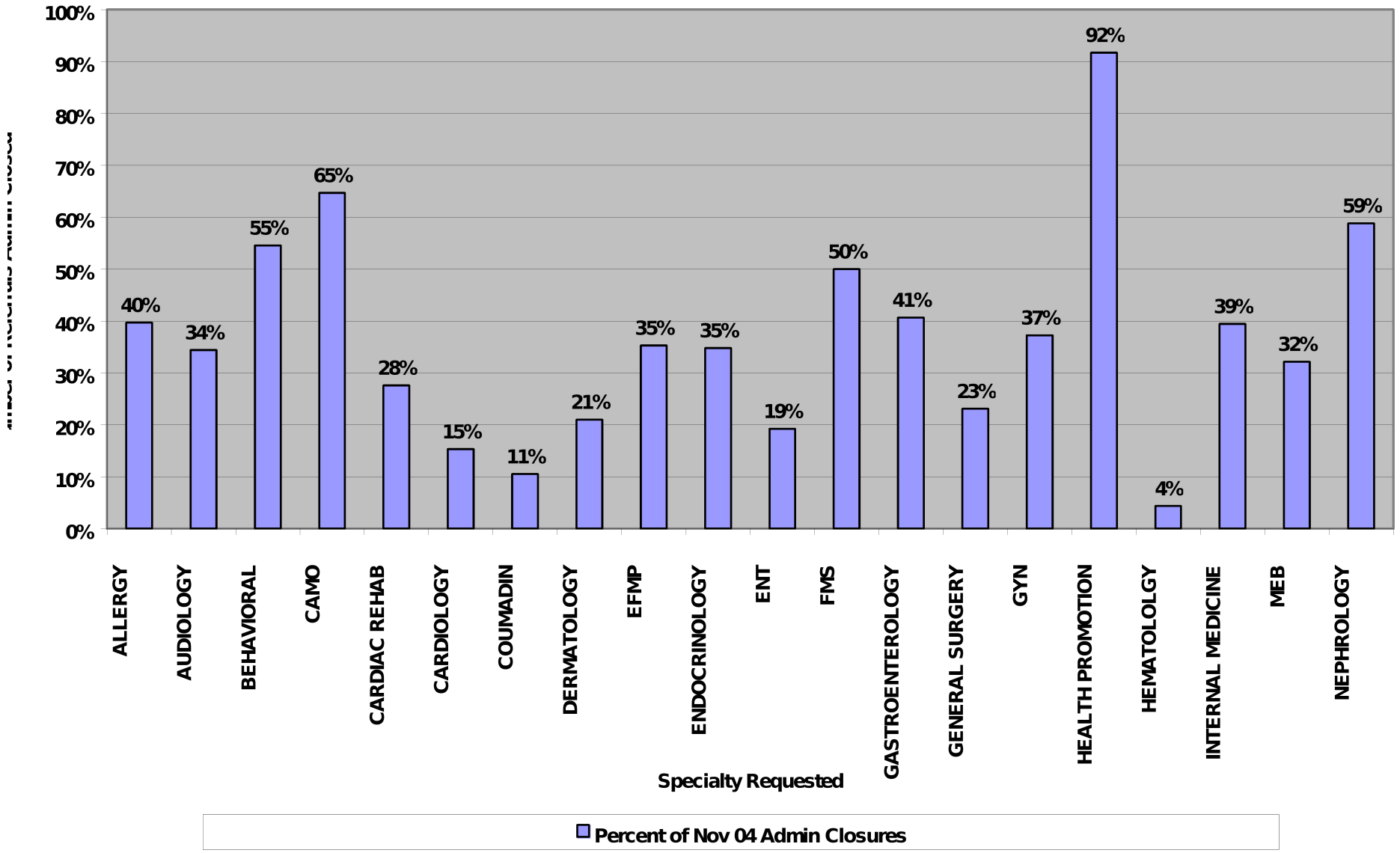
Appointed Consults - Aging Report
December 04 Consult Orders



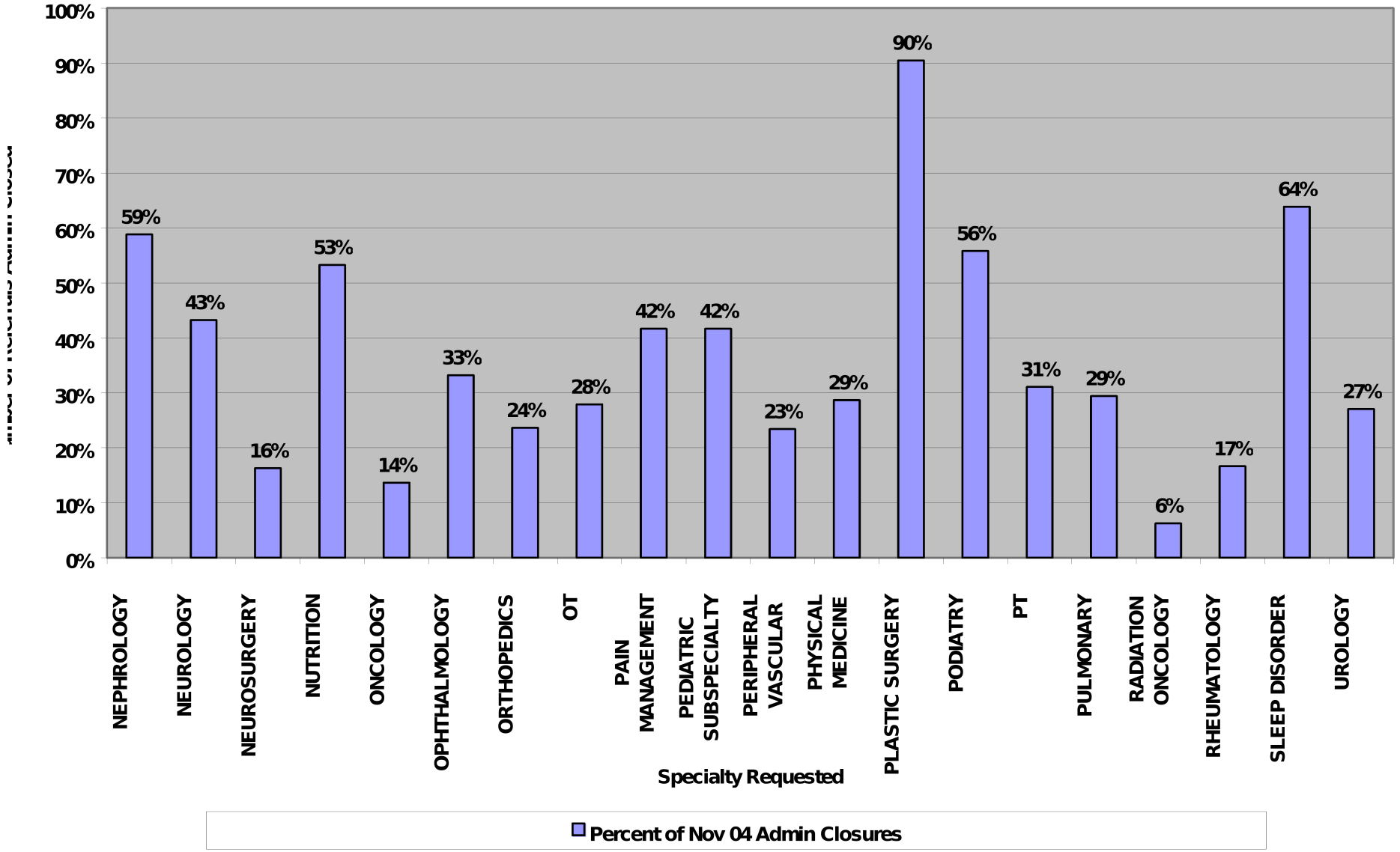
Top Clinics for Referral Management: BAMC Nov 2004

- **Top 10 Admin Closed:**
  - Health Promotion (92%)
  - Plastic Surgery (90%)
  - CAMO (65%)
  - Sleep Disorder (64%)
  - Nephrology (59%)
  - Podiatry (56%)
  - Behavioral (55%)
  - Nutrition (53%)
  - FMS (50%)
  - Neurology (43%)
- **Top 10 Least Closed:**
  - Hematology (4%)
  - Radiation Oncology (6%)
  - Coumadin (11%)
  - Oncology (14%)
  - Cardiology (15%)
  - Neurosurgery (16%)
  - Rheumatology (17%)
  - ENT (19%)
  - Dermatology (21%)
  - General Surgery (23%)

BAMC: Percent of Nov 04 Referrals Administratively Closed



BAMC: Percent of Nov 04 Referrals Administratively Closed (cont.)



Where To Get More Information?

- DHCO Website on BAMC Intranet
  - https://amedwsbamc101/

Backup

Productivity Comparisons Summary

FY Comparisons and BAMC FY to MEDCOM

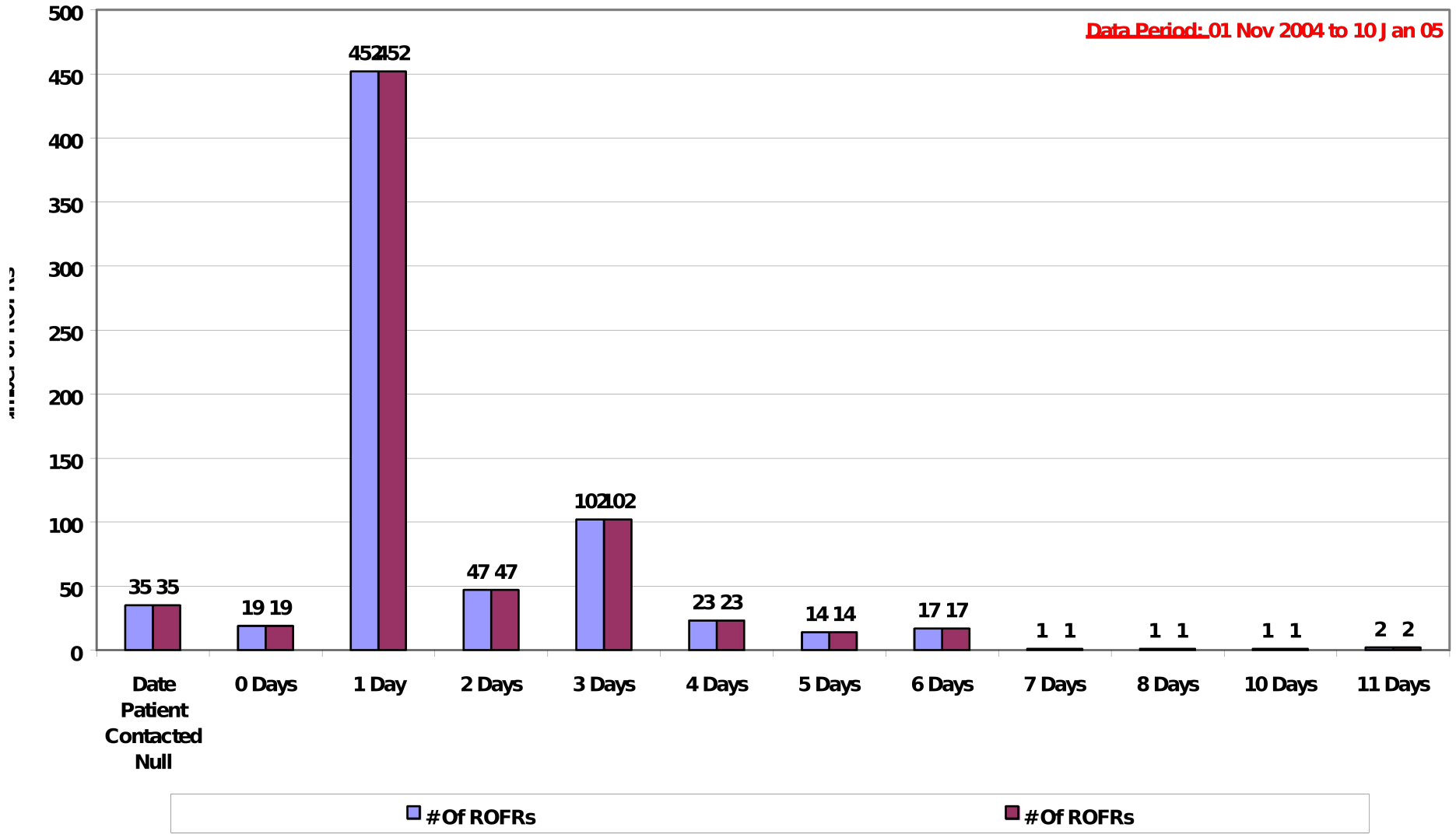
% Change and Delta in RVUs/FTE

RVUs Per FTE

Service Line	% Change FY04-FY03	Delta FY04-FY03	% Change FY05-FY04	Delta FY05-FY04	% Change FY04-MEDCOM	Delta FY04-MEDCOM
Cardiology	-17%	-359	25%	437	-20%	-431
Dermatology	-25%	-2,247	-42%	-2,882	-1%	-99
Emergency Medicine	5%	380	-2%	-189	42%	2,304
Gastroenterology	34%	786	76%	2,362	-21%	-831
General Surgery	-21%	-854	-15%	-502	35%	832
Internal Medicine	-15%	-316	-22%	-390	-37%	-1,076
Ophthalmology	-2%	-134	22%	1,793	44%	2,463
Orthopedics	-15%	-1,813	-42%	-4,229	129%	5,704
Pediatrics	-28%	-790	-3%	-66	-30%	-888
Urology	25%	1,380	-31%	-2,097	62%	2,592

ROFRs: Overall Summary

Number of Days From ROFR Received to Patient Contacted



Prepared By: DHCO, Data Analysis Branch. 6-1360
Source: DHCO ROFR Database

Created: 10 Jan 2005